

Murdoch's new offer to staff

Mr Robert Murdoch, proprietor of The Times and The Sunday Times, has said that dismissal notices issued to 210 clerical staff would be withdrawn if enough volunteers for redundancy came forward to replace them. Agreement has also been reached with several groups on more than 100 voluntary redundancies. Asked whether the newspapers would continue to publish, Mr Murdoch said: "I reserve judgement." Page 2

Exclusive Henry Kissinger



How to deal with the Soviet Union

Was détente a failure? Did it expose the West to Soviet adventurism? Henry Kissinger, former American Secretary of State, assesses his experiences and discusses the Soviet challenge. Page 10

No pay offer for nurses

Leaders of Britain's nurses, who want a 12 per cent pay rise, were "appalled" yesterday to get no firm offer when the claim was discussed at a meeting of the Whitley Council. The offer is likely to have to wait until next month.

Ski trip firm ceases trading

Erna Low, the travel company which pioneered family skiing holidays after the second world war, ceased trading yesterday and went into voluntary liquidation after the Civil Aviation Authority refused it an operating licence. The CAA said it was "no longer satisfied as the company's financial arrangements".

Concern over terror school

Mrs Thatcher said yesterday she was very concerned at events at St Saviour's primary school, Toxteth, where pupils terrorized and vandalized the school. The school's headmaster is seeking early retirement, and teachers' leaders said many local teachers were cracking under the strain. Page 2

NatWest reports record profit

National Westminster Bank reported record profits of £494m for 1981, only days after Lloyds Bank also returned a record. NatWest's profits rose £84m over the previous year. Page 19

Inquiry call over Amersham

Mr Merlyn Rees, the Labour Party's energy spokesman, has asked the Commons Public Inquiry into the sale by the Government of shares in Amersham International.

Bombs explode

Two car bombs have killed 12 people in a crowded Beirut street market. The first explosion destroyed half a dozen stalls. Blood lay splashed on the pavement for hours. Page 7

England win 4-0

England beat Northern Ireland, the champions, 4-0 in the first of the home international matches. Keegan, Robson, Wilkins and Hoddle scored the goals at Wembley. Page 23

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Letters: On the Community Market, from Mr Richard Cottrell, MEP; TV by satellite, from Lord Aylestone; girl offenders, from Mrs A. Weitzman and others.
Leading articles: Poland; Health charges for overseas visitors; East Timor.
Features, pages 8, 10
Cities in crisis: Glasgow; the new Oxford snobbery; love, work and Helen Gurley Brown.
Obituary, page 12
Professor Alec Rodger.
Special report, pages 13-17
A five-page report on Portugal, Western Europe's least developed nation, as it tries to connect to terms with joining the EEC.

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Warning from Mrs Thatcher

Budget hopes dampened by oil price decline

By Julian Haviland and Philip Webster

Expectations of tax reductions in next month's Budget were being raised too high, the Prime Minister said last night. She said that the recent reduction in the price of oil, by cutting revenue, diminished the Chancellor of the Exchequer's limited room for manoeuvre. Speaking at the annual dinner in London of the Engineering Employers' Federation, Mrs Margaret Thatcher said that the Government's purpose was to tend and nurture the first fruits of recovery; but that would not be achieved by a lurch into irresponsibility. "For our part we will resist the calls for easy options," she said. "Ulysses, you will remember, resisted the siren voices and came safely home to harbour."

The Prime Minister said that every day she read of proposals to reduce this tax or that. Together they added up to a formidable total. But the Government had announced, next year's spending, and the purpose of the Budget was to raise the revenue. The reduction in the price of oil, which was still continuing, would lower costs and was particularly welcome to industry. But the fact that this reduced the "revolving" from North Sea oil was a factor which could not be ignored, for the Chancellor had to make the sums add up.

On his ability to do so rested confidence in the currency. Mrs Thatcher told her audience that there were good news. The increase last year of 7 per cent in manufacturing productivity was unprecedented during a recession, and the rise in the unit cost of labour in British manufacturing had been transformed from one of the fastest in the world to one of the most modest.

"We are becoming much less strike-prone with one or two notable exceptions in the public sector. In 1981 industrial stoppages were the lowest for four decades. We are becoming much more aggressive in selling overseas, in 1981 our current account surplus will almost certainly be the highest on record, and our exports have performed well."

Finally, and most important, we have much lower expectations about inflation. People were beginning to understand that the Government was going to get it down well into single figures, and it must keep it there. The Wholesale Price

Index in January rose by the smallest amount for nine years. Mrs Thatcher said that the other side of the coin was that the unemployment previously hidden in industry, now swelled the unemployment register. "Tragically for those involved, the recovery of employment lags some way behind the recovery of output."

But we are now well placed to take advantage of an expansion in world trade. "We have within our reach a new and lasting prosperity: more stable prices; a long overdue recovery in profits and investment; a revival of enterprise, followed by the new jobs we all so much want to see."

She said that one of the Government's main achievements was that management had regained its proper authority and responsibility. "We have created the conditions within which management can manage. That is why we acted to cut away the controls on wages and prices, to reduce the top rates of tax and to remove exchange controls so that British firms could take their proper place in a world of multi-national investments."

She said that the engineering industry had shown how, throughout the private sector, the fatal obsession with keeping up with the pay of the Joneses was making way for recognition of the need to catch up with the performance of the Siemens and the Mitsubishi.

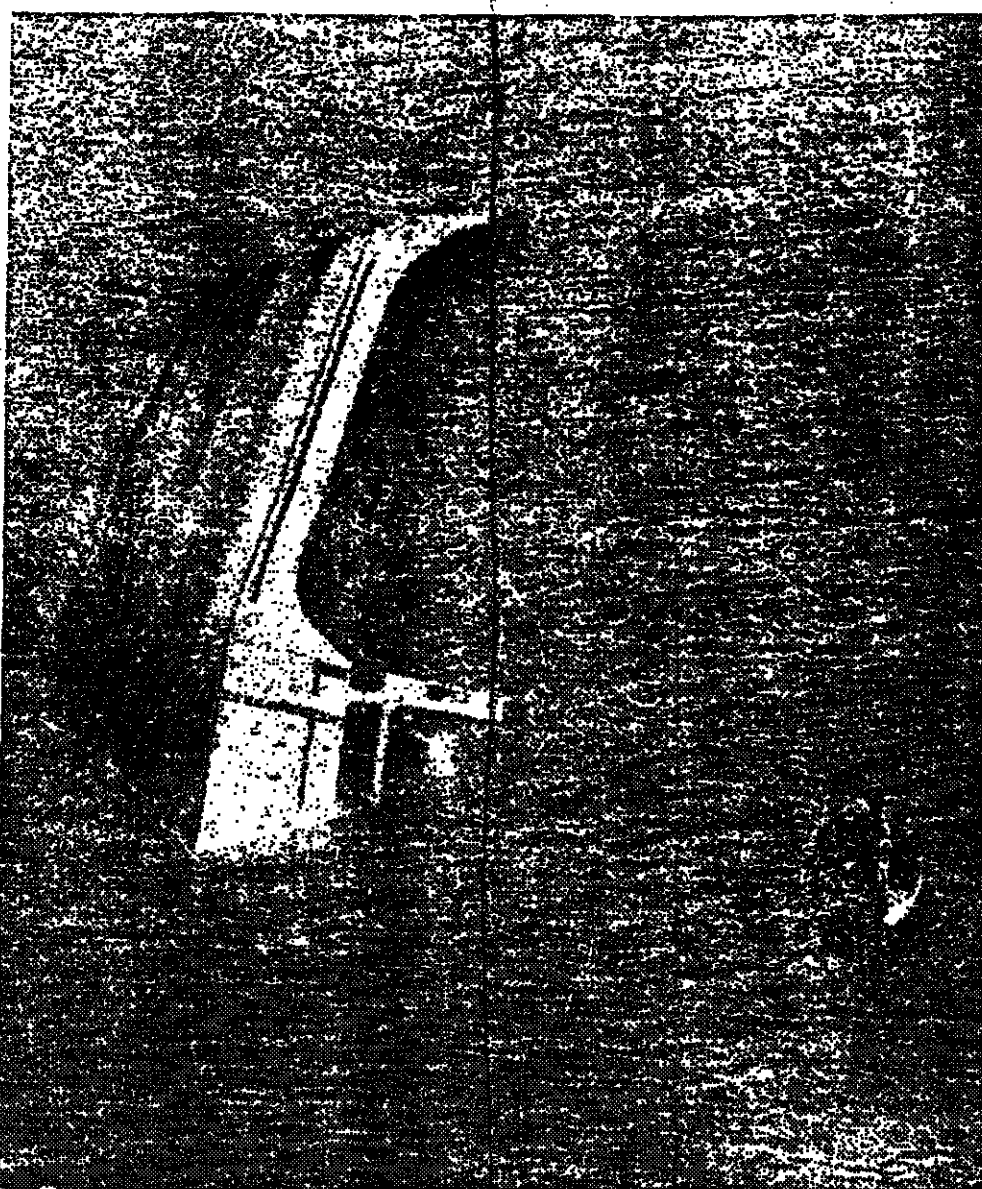
There was no substitute for the spirit of competition if British performance was to be improved. Mrs Thatcher reiterated her belief that new jobs would be provided with the introduction of new technology and more effective working habits. The age of the computer had been greeted with apprehension but enabled people to do things which would have been impossible before the technology was developed.

"So I believe it will be with the microchip. Each new technology carries the potential of more jobs, wider employment, and more effective working habits. Restrictive practices and over-manning leading to the loss of whole factories, and even whole industries, could not be blamed on governments. It was the failure of industry and it was far easier to destroy jobs than to create them."

One seaman said: "The guard with a sub-machine gun was very calkative. They were all in a high state of excitement. They took photographs for American propaganda sheets and they said: 'For this photograph we want you to shoot. Up the Provost.'"

"None of us said anything. But we all burst out laughing. They got a picture of us all laughing our heads off."

The IRA men then ordered the crew on to a raft and said they would tow them ashore. But after 10 minutes the raft was cut adrift and left floating out to sea on a strong tide. Within another half an hour the pilots from the pilot station had managed to free themselves and rescued the crewmen on the raft, just as the



The St Bedan on her side after the engine room bombing.

IRA blows up cargo ship and threatens more attacks

From Richard Ford, Merville, Co Donegal

Rocket attacks will be made against British shipping entering Northern Ireland waters, the IRA warned yesterday after an armed gang sank a 1,250-ton coal ship in Lough Foyle by placing bombs in her engine room.

The masked Provisional IRA team bluffed its way on to the St Bedan, loaded with 1,625 tons of coal from Northumberland, by hijacking a customs cutter from Merville, Co Donegal.

The men, wearing balaclavas and armed with sub-machine guns and rifles, told Mr Roderick Black, the captain, to stop engines and anchor a mile from the Donegal coast. Five bags of explosives were taken aboard; and before the ten-man crew was ordered into a life-raft the IRA took photographs of the men.

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St Bedan's captain, Roderick Black: "A gun at my head".

Uganda fighting leaves 69 dead

From Charles Harrison, Nairobi, Feb 23

At least 69 people were killed today in fierce fighting between troops and guerrillas trying to overthrow the Government of President Obote, Uganda radio said.

Mr Paulo Muwanga, the Ugandan Vice-President and Defence Minister, tonight declared that he had narrowly escaped death when his convoy came under guerrilla fire on the Kampala-Entebbe road. Suggestions that he had been ambushed and four of his armed escorts killed in an exchange of fire with rebels were completely untrue, he said.

A fierce attack by anti-Government guerrillas on the Malire Army barracks in Kampala early today was a desperate attempt to capture the barracks and overthrow the Government, a Ugandan Defence Ministry spokesman said tonight.

During the attack, which began at 2 am and continued until mid-morning, hundreds of artillery shells, rockets and mortar bombs were fired—some from mortars placed on the steps of the Roman Catholic cathedral on Rubaga Hill, less than a mile from the barracks, according to the government statement.

The Defence Ministry says at least 69 of the attackers were killed and another 10 were wounded and captured. By contrast, the Uganda Freedom Movement (UFM), one of the underground groups which want to oust President Obote, claims that its forces overran the barracks and captured large quantities of arms—"too many for our men to carry away," according to a spokesman.

Kampala residents were kept up all night by the sound of the artillery, rockets and small arms fire. It was described as the heaviest gunfire heard in Kampala since Tanzanian forces ousted former President Idi Amin in 1979.

The firing was concentrated in the south of the city, mainly around the Malire barracks, housed in the former palace of the Kabakas (Kings) of Buganda, and around the Uganda Army headquarters, half a mile away.

Uganda radio said the attack was launched by the Katwe, Mengo, Najjanankumbi, Kibuye and Kabwata areas. The main road from Kampala to Entebbe Airport, which passes close to the barracks, was closed to traffic by troops. The firing died down by mid-morning, but sporadic gunfire could be heard in central Kampala throughout the day.

A government statement assured Ugandans at midday that the situation was now quiet after terrorists had been overpowered.

The statement said the terrorists had tried to take advantage of the relaxed situation in Kampala, because they had lost the support of people in the rural areas. It described the attack as a desperate one, which had been easily overpowered.

However, a spokesman for the UFM claimed that they had shelled the Malire barracks from a distance of about three miles, with 61 and 81 mm mortars. "This was new equipment which we had just moved in—it was a good test," the spokesman said.

He claimed that the guerrillas caused about 300 casualties in the barracks, and denied claims that they had been repulsed. "We were not repulsed. We are still in strategic positions around Kampala," the spokesman said.

Law of the gun, page 7

Balloon goes up in 'free' Wales

From Tim Jones, Mold

Planners in the Pentagon and the Kremlin may not yet tremble, but Wales yesterday declared itself a nuclear-free country.

A thousand helium-filled balloons carried the message over the border to England and an Olympic-style torch of peace was lit. From Queensferry in the north to the Severn Bridge in the south, signs along Offa's Dyke stated that Wales has renounced the siting of any nuclear weapons within its borders.

The declaration came after Clwyd became the eighth and last county council in the Principality to decide that it would be a nuclear-free zone. Every county authority in Wales is now pledged to oppose any attempt to have nuclear bombs or missiles stockpiled or constructed in the areas they administer.

The Clwyd decision was the culmination of a remarkable campaign which has been waged by groups under the umbrella of the Welsh Anti-Nuclear Alliance.

In mid-Wales geologists searching for sites to dump nuclear waste were harassed unmercifully until they had to concede defeat. In mid-Glamorgan, the county council was forced to reconsider plans for a nuclear defence command shelter.

For more than a year every county councillor in Wales has been lobbied and starting with Dyfed, the councils have fallen into line. Retired colonels and captains pleading the need for defence have been knocked down like so many targets on a firing range.

A message was sent by tele to the Prince of Wales, swanbath on his Caribbean holiday island. (He may muse that a limited nuclear strike against Fleet Street might not be a bad thing). It said: "In accordance with the ancient Welsh custom prescribed by Geraldus Cambrensis of the sweetest (and only) people speaking confidently to their Prince, we think you might wish to hear from us that today all the county councils of Wales have declared their counties nuclear-free zones, making Wales the first country in Europe to declare itself nuclear-free."

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Law of the gun, page 7

Perfume fraud trickster jailed for five years

By Stewart Tendler, Crime Reporter

An international con-man, wanted across Europe, and described as a "guiding light" in a conspiracy to defraud £271,000 from a fringe bank, was jailed for five years at the Central Criminal Court yesterday.

Judge McKinnon, QC, was told that Mr Georg Pratten, aged 64, of Virginia Water, Surrey, was wanted for extradition to Italy and had twice been convicted abroad. The court was told his real name was Stegmund Sperber and he had been brought up in Anwerp.

Mr Pratten was convicted for his part in the defrauded of the National Union Bank which unwittingly advanced money to a perfume company on the basis of false invoices. Mr Maurice Thomas Wood, aged 58, of Wellington Court, Westminster, was sentenced to one year for his part in the conspiracy.

Mr Pratten, described as a diamond cleaner, was convicted by a jury on Monday at the end of a 13-week trial involving thousands of exhibits and costing at least £250,000.

In the course of the trial Detective Sergeant John Mulhally, of Scotland Yard's fraud squad, gave evidence for 14 days on a case which took several years to investigate. Yesterday the court was told that Mr Pratten was convicted in Belgium in 1959 and in France in 1962. During the

Big cheque-book fraud revealed

What did not come out at the perfume trial of Stegmund Sperber was that he was the mastermind of an international "cross firing" cheque swindle. Hunted by police across Europe, he took refuge in Surrey's stockbroker belt. Stewart Tendler tells the story for the first time, page five.

last war he was taken prisoner by the Germans in 1940, together with the rest of his family. Five of his sisters were killed but he escaped with his parents.

In his defence it was said that a sentence passed in France had been later dealt with in Austria and he had been acquitted, but the court was told there was no mention of this on his Interpol file, which carried the note "identity uncertain".

Claudio Mondino, a club owner of The Green, Upton, Norfolk, was found not guilty of conspiracy to defraud the bank and disbarred. George Scott, aged 54, and his son Ian, aged 30, of De Rauch House, Nine Mile Ride, Finchampstead, Berkshire, were found guilty and are to be sentenced.

NEWS IN
SUMMARYBistro ban
on young
jobless

The leader of a city council is asking a restaurant to apologise to nine unemployed teenagers who were turned away without explanation when they tried to get a meal.

The group from Sheffield was barred from Thomas's bistro, in York, while on a council-sponsored outing. Mr David Blunkett, leader of Sheffield council, said: "We arrange stimulating and interesting activities and the visit to York was one such trip."

"The kids were a mixture of black and white, from working-class areas. They were hungry and wanted a meal but were flatly refused entry. It is not as though they were already in the restaurant or were causing a nuisance, they were not even allowed in."

A spokesman for the owners of the bistro, John Smith Brewery in Tadcaster, said the manager thought the party was under 18. Even if the youngsters only wanted to eat, the manager had the right to exclude whom he liked, he said.

Solicitor killed
woman he loved

A prosecuting solicitor for the West Yorkshire police drank himself to death after an argument during which he killed the woman he loved, a jury heard yesterday.

Mr Robert Wilson, the coroner, recorded that Miss Judith Goldthorpe, aged 33, a British Airways stewardess, was unlawfully killed and that Mr David Marshall, aged 33, of Stockbridge, Sheffield, took his own life. The inquest was told Miss Goldthorpe was pregnant when she died.

Accused man
took own life

Mr Kenneth Crossley, whose body was found in his car, was found in his car, filled with petrol, in Dorset, last Wednesday, had been due to appear at Maidstone Crown Court later that day charged with demanding £350,000 with menaces from Safeway Food.

An inquest at Poole, Dorset, yesterday at which the coroner recorded a verdict that Mr Crossley, aged 56, of Julian's Road, Wimborne, took his own life in a bout of severe depression, was told that Safeway received a blackmail demand after they were told that jars of paracetamol had been placed on their shelves.

'No panic' for
wave power

Scientists working to produce electricity from wave power want to continue their experiments in tanks rather than be rushed into full-scale tests at sea.

In a memorandum to the Select Committee on Energy, which met in Edinburgh yesterday, they said there was now an over-capacity of electricity production and renewable energy schemes did not have to be developed "in a panic".

BA strike spreads

The strike by 2,000 British Airways ramp workers at Heathrow airport, London, spread to Edinburgh airport last night, when workers walked out in support. The British Airport Authority said over 30 workers had stepped in to do their jobs, and there were no delays or cancellations.

Murdoch makes new offer to
staff over redundancies

By Donald Macintyre, Labour Correspondent

Mr Rupert Murdoch, proprietor of *The Times* and *The Sunday Times*, last night promised that dismissed notices issued yesterday to 210 clerical staff would be withdrawn if enough volunteers for redundancy came forward to replace them.

In a move designed to appeal directly to clerical employees over the heads of local union officials, the management of *Times Newspapers* Ltd temporarily reopened, for clerical departments, the voluntary redundancy offer which lapsed last Thursday.

Mr Murdoch also announced last night that agreements covering voluntary redundancies of more than a hundred employees had been concluded with chapels in several unions.

The 210 clerical employees, all members of the National Society of Operative Printers, Graphical and Media Personnel, are due to receive their notices by post this morning in accordance with the decision made by the management on Monday after the breakdown of talks aimed at reaching agreement on voluntary cuts of 600 full-time jobs and 900 shifts a week.

Announcing that the voluntary scheme was being restored for a "short period", Mr Murdoch made clear that the mandatory notices remained in force but added: "If the necessary volunteers come forward to replace the people to whom the notices were given, the notices will be withdrawn and the people concerned will be replaced by volunteers."

A notice distributed at offices of both newspapers

£200m defence
contracts
axed since 1974

By Anthony Eving, Political Correspondent

The Ministry of Defence has cancelled contracts worth £200m since 1974, it has been disclosed in a Whitehall report sent to the Commons Select Committee on Defence.

The note states that "from ministry records readily available" cancellation compensation paid out on 17 big defence contracts valued at about £40m amounted to £30m.

It adds: "There are, in addition, 12 major contracts with a total estimated value of some £160m which have been terminated but where settlements are still being negotiated, and its not, therefore, possible to say what the total cancellation cost will be."

A ministry spokesman said last night that publicity had been given to only three of the cancelled projects: the 1980-81, a battle tank, in 1980; the Skyflash missile, in 1981; and the Hawkwing, a wire-guided anti-air missile for use from helicopters, in 1975.

When pressed for further details of cancellations, the department produced three further projects: GWS 25, the heavyweight Sea Wolf radar; the GWS 20, the Sea Dart radar; and the Sea Wolf, a naval system. Those three cancellations were undated.

It was suggested that there might be grounds of commercial confidentiality for not naming the projects, but it was agreed later that further projects might be identified if security clearance was available.

The ministry note to the select committee shows that all defence contracts, except those worth less than £50,000 or less than nine months duration, include a condition that gives the ministry "the right to bring the whole contract to a premature end", for example, when a project is cancelled because of a change in government policy.

This condition "specifies the period of notice and states the general terms for settlement of any claim arising from the termination".

Terms include existing purchase of material which the contractor does not want to keep, payments made to subcontractors, severance payments for workers who are

made redundant as a result of termination of the contract, tooling and other overhead costs directly attributable to the contract.

The fact that the figures available show a compensation rate of 75 per cent, and that there are cancelled contracts worth £160m on which compensation has still not been negotiated, could bring compensation up to £150m.

Mr John Nott, Secretary of State for Defence, yesterday criticised the Labour Party for its criticism of the high cost of the Trident nuclear missile programme will involve a dangerous rundown of conventional forces. (Our Parliamentary Correspondent writes).

In a stout defence of Trident, Mr Nott told the Commons that it would cost less than any major defence capability that Britain had ever had, both in capital and in running terms. Up to now the programme had hardly cost anything and the peak expenditure, he said, was £1.2bn, which was far less than the more expensive and bigger Trident D5, which would be in the later 1980s.

That would be when the Trident aircraft programme, now costing £1.25bn, had run down.

Mr John Silkin, Labour's defence spokesman, told Mr Nott that the Government's nuclear policy was destroying the country's conventional capability. But Mr Nott told the House that, assuming the Government decided in favour of the larger Trident, there would still be a substantial real increase in spending on conventional forces.

The Royal Navy is ordering a new frigate under British Shipbuilders' contract offer, Mr Nott announced yesterday. The frigate is the eighth in the Type 22 Broadsword class, which the Navy is supposed to be abandoning in favour of the Type 23. But British Shipbuilders, anxious to keep their workforce in business, offered to take £5m off the total cost of a seventh and eighth Type 22 if the Navy would order them. The seventh has already been ordered and now the ministry has added number eight.

NO MENTION
OF CASH
TO CHARITY

J. P. R. Williams, Wales's most capped rugby player, told a High Court jury yesterday that he regretted his handling of the "shamateurism" affair which once threatened his career.

Under cross-examination by defence counsel in his libel action against *The Daily Telegraph*, Mr Williams said he did not make it clear from the beginning of the affair that money from his best-selling autobiography would go to charity.

Mr Williams, aged 32, of Llanannor, South Glamorgan, is claiming damages against the newspaper, Mr William Deedes, its editor, and Mr John Reason, its former rugby correspondent, over articles in February and March, 1979, which alleged that he had infringed his amateur status by accepting money for the book. Libel is denied.

Mr Richard Haughey, QC, for Mr Williams, had told Mr Justice Russell and the jury that the allegations could have driven the full back and former Welsh captain out of the game; and he was cleared by a Welsh Rugby Union investigation.

The hearing continues today.

HAUGHEY
FACES
REVOLTFrom Our Correspondent
Dublin

Plans to supplant Mr Charles Haughey as leader of Fianna Fail, the Irish opposition party, are to surface at a meeting of the parliamentary party tomorrow. Dissatisfied party members are expected to meet in Dublin tonight.

A large number of Deputies, probably a majority, believe that the poor showing of the party in last week's general election was a result of popular disenchantment with Mr Haughey.

In opinion polls on the day leading up to polling Mr Haughey trailed in popularity by 20 percentage points behind Dr Garret FitzGerald, the Fine Gael leader, despite an overall Fianna Fail lead.

The dissident group within the party is promoting Mr Des O'Malley, a Limerick deputy and a former Minister for Trade and Industry. Another politician cited as a possible candidate is Dr Martin O'Donoghue, who is seen as a compromise. He is the finance spokesman.

'Frustrated at
every turn'The notice went on to say that it is "false to say that anyone who applies for redundancy risks losing their union membership". That point was taken up yesterday by Mr Murdoch, who said that the union nationally, as distinct from chapels, "has made it very clear that nobody who goes out in this scheme will not have their union card cancelled."

The Natsopa rule 44, which is sometimes waived in the case of large-scale redundancies, lays down that if a member accepts redundancy or early retirement "he/she shall thereupon cease to be a member of the society".

National officers that "voluntary" notices were given last night that it had received assurances from senior leaders would not in this case lose their union membership.

Mr Murdoch said that while the management had been negotiating with other groups in some cases for several days or weeks, it had been trying to negotiate with Natsopa clerical employees for the past 12 months and had been "frustrated at every turn".

He added: "We are not turning anyone out. We are trying to negotiate a settlement here to make this place economic and viable and save these two newspapers. . . . We are trying to save 2,000 jobs." Asked if he believed the papers would continue to publish, he added: "I reserve judgment on that for another week."

The management is hoping to begin negotiations over the next two or three days with other key chapels where agreements have still not been concluded, including NGA and Natsopa machine areas. The *Sunday Times* Natsopa machine assistants' representatives are to meet the management tomorrow.

Mr Barry Fitzpatrick, father of the *Sunday Times* Natsopa clerical chapel, said the latest move was "an attempt to pressure people who have been through a hell of a lot over the last few years". He added: "I think it will fail miserably."

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Bill may tighten jury rules to bar criminals

By Peter Evans, Home Affairs Correspondent

The Government is considering action to tighten qualifications for jury service because of growing concern about convicted criminals being allowed to sit on juries. Four hundred barristers are also worried about an increase in the number of times jurors are being approached to be asked to give not guilty verdicts.

Under the present law there is a lifetime's disqualification from jury service for people who are given a custodial sentence of five years or more. Anyone who has finished a sentence of three months or more or had a criminal record is disqualified for 10 years.

People can still serve when they receive a suspended sentence of imprisonment, or community service, or a fine, even if the offence of which they are convicted could carry a custodial sentence which would disqualify them.

That means, for example, that a burglar who was fined or a rapist given a suspended sentence could serve on a jury at the trial of another burglar or rapist the next week.

Last week a man who had 13 convictions and had served six prison sentences said he would refuse to take the oath when called for jury service next month.

He had been convicted for theft, deception and drunkenness and had been in jail for non-payment of fines, but was still eligible for jury service because each sentence was for less than three months.

The Criminal Justice Bill, now before Parliament, provides an opportunity for change. One way for the Government to tighten the rules would be to extend disqualification, for a suitable period to anyone convicted of an offence that could be punishable on indictment with imprisonment.

A startling increase in the number of young offenders sentenced to be detained at her Majesty's pleasure for life or for a period decreed by the Home Secretary for offences such as murder, manslaughter or robbery has occurred in the past decade, Mr Robert Kilroy-Silk, Labour MP for Orkney, said yesterday.

He told the committee examining the Criminal Justice Bill that 80 offenders under the age of 18 were sentenced under section 53 of the Children and Young Persons Act, 1933.

Police may face 20% cutback in manpower

By Richard Evans

Police forces in some of Britain's provincial cities may face manpower cuts of up to 20 per cent because of restrictive Government expenditure targets, Mr Jack Smart, chairman of the Association of Metropolitan Authorities, said yesterday.

He told the association's quarterly meeting in London: "There is no way in which the metropolitan counties can get anywhere near the government expenditure target without making large cuts in the police forces."

"If police expenditure is to bear its full share of the cuts there will have to be severe reductions in police manpower, perhaps in some instances by as much as 20 per cent."

Although the Government has transferred £13m from the budget of the Metropolitan Police for 1982-83 to provincial forces, Mr Smart said that there was still a 19 per cent increase in expenditure in the Metropolitan Police "compared with 3 per cent in Merseyside."

The Labour-controlled AMA represents the Greater London Council and the metropolitan councils of Merseyside, Greater Manchester, West and South Yorkshire, Tyne and Wear and the West Midlands.

In spite of Mr Smart's warning about manpower cutbacks, two Metropolitan county councils have trimmed their police budget without loss of jobs.

West Midlands is losing £2.2m from its budget of £115m; but a spokesman said last night that the biggest savings would involve reduced police cover.

Merseyside has reduced its police spending by £3m to £83.5m. Instead of reducing manpower that authority is reducing the number of vehicles it planned to buy and is not taking on any new recruits this year.

Norwich to sell off houses again

Norwich City Council has again been entrusted with the job of selling its council houses after losing a court action against Mr Michael Heseltine, Secretary of State for the Environment, who took over the sales. (our Norwich Correspondent writes)

The council is to take on an extra 12 staff and hopes to clear the backlog of 850 houses by the end of March.



Slippery customers: Children in Southwark, south-east London, trying out an artificial ice skating surface made of a new plastic, on display at the north Peckham Civic Centre until today

Blacks to form new civil rights body

By Lucy Hodges

A black civil rights movement, including a scheme to help people arrested at any time of the day or night, is to be launched in Britain. In June a conference with speakers from the United States will be held in London, at which Lord Scarman will be the chief speaker.

The setting up of Black Rights (UK) is announced in this week's *Caribbean Times*. Black organizations are invited to apply to take part in its formation. A meeting is to be held on Saturday at the offices of the newspaper in Finsbury Park, north London.

The initiative has come from the *Caribbean Times* and from Mr Nary Naryan, the barrister from Guyana who writes a legal column for the newspaper. Mr Roy Sawh, a race relations veteran, and Mr Sibghat Kadri, a barrister and co-chairman of the Society of Black Lawyers, are also involved.

Moves to form the movement have taken place in

secret, in contrast with the decision in June, 1980, to set up an Afro-Asian and Caribbean alliance. That came to nothing though its inception was well publicized, partly because delegates called at the same time for blacks to boycott the police.

Mr Kadri said yesterday that the organizers of the present campaign had learnt their lesson. Black Rights (UK) would not attempt to represent black communities but would act as a pressure group and provide a service for blacks.

The group will be all black, he said, in contrast to a recent initiative launched by the Runnymede Trust to set up a legal service for blacks.

Some observers are somewhat sceptical about whether Black Rights (UK) will succeed. There have been a number of attempts in the past to set up a civil rights movement. They have foundered on the mutual suspicion of black organizations.

Doctors not to be charged

By Annabel Ferriman

The Director of Public Prosecutions will not bring charges against two doctors alleged to have carried out illegal abortions.

Professor Peter Huntingford, former Professor of Obstetrics at the London Hospital, Mile End, and an unnamed doctor were referred to the DPP by the Department of Health and Social Security for failing to fill in new abortion forms correctly.

The new forms require a statement of "medical grounds" for an abortion. The old forms required only social grounds.

Sir Michael Havers, QC, the Attorney General, said on Monday that no charges would be brought because the doctors told the police there were medical grounds for the abortions.

Professor Huntingford denies that and says he will continue to ignore requests for medical grounds when carrying out abortions for social reasons.

MP blames Whitehall for viaduct blackspot

By Anthony Bevis

The Department of Transport is trying to take central control of maintenance and repair on the country's viaducts, the 13 miles of M5 and M5 viaducts in and around Birmingham.

But Mr Jeffrey Rooker, Labour MP for Birmingham, says that Whitehall civil servants had been responsible for the original blunders which had caused so much inconvenience to drivers and expense to the taxpayer.

"This is the crunch issue," he said. "The whole thing is falling apart and its costing a fortune. Who is going to get the work done? The builders who built it or the builders who repaired it the first time round?"

A spokesman for the department said that it was not known precisely how much the elevated structures of the Midlands links motorways had cost by the time of completion 10 years ago, although Mr Rooker put it at about £12.6m.

Since then the department said, about £12.6m had been spent on repairs to the viaducts. Altogether 57 steel beams, underpinning the motorway, had to be replaced by up to three quarters of an inch because of faults in mortar.

Mr Kenneth Clarke, Under-Secretary of State at the department, has told Mr Rooker in a Commons written reply that the West Midlands County Council had been approached with a suggestion "that the highly specialized task of maintaining the structural part of the viaducts on the Midlands links motorway should be included from our agency agreement with them."

That means that the department will take direct responsibility for the repairs to the motorway, track, and below deck, including work on beams, bearings and pillars, but not routine resurfacing.

The department would let the work out to contractors rather than allow the West Midlands County Council to let the work out to contractors, but control of the work done would be much more closely scrutinized.

Mr Rooker said that all the difficulties of the system, including the so-called spaghetti junctions at Gravelly Hill, had been caused by the original ministry cost-cutting design and a lack of proper supervision in the work done.

NEWS IN SUMMARY

College rent rise blow to traders

Traders in Oxford's High Street say they are being forced out of business by demands for higher rents from Oxford colleges which own their buildings. (Our Oxford Correspondent writes)

Mr Laurie Leigh, an antique dealer, says Queen's College wants to raise her rent from £1,500 a year to £10,500. She has written to Lord Blake, Provost of Queen's to protest at the college's callousness and irresponsibility.

Most of the buildings in the street are owned by colleges, insurance companies or pension funds. A hairdresser, Roland of Switzerland, moved out and made three people redundant after his rent rose from £2,000 to £10,000 a year.

Mr Nicholas Dimsdale, bursar of Queen's, said the college was concerned about its traders but had to take market rents into account.

Student denies throwing eggs

Alastair Dow, aged 21, a student of Claremont, Allos, denied throwing two eggs at the Prime Minister's car when he appeared at Edinburgh Sheriff court yesterday.

He also pleaded not guilty to conducting himself in a disorderly manner and committing a breach of the peace on May 16 last in Edinburgh. The trial was fixed for July 26.

EEC loan for airport

A loan of £2m was granted by the European Economic Community yesterday towards an expansion programme at Birmingham airport. It is the first EEC aid towards the £50m construction of a new terminal building, aprons, taxiways, car parks and ancillary services intended to be finished in 1984. More aid is expected later.

Siege chief promoted

Mr John Dellow, aged 50, the police officer in command of the Iranian embassy siege operation in London in 1980, in which SAS men successfully stormed the building, has been appointed an Assistant Commissioner at Scotland Yard, the Home Office announced yesterday.

Ben Nevis, the venomous one

Why climbers risk avalanches

By Ronald Faux

The 1,000ft high cliffs on the north side of Ben Nevis may appear darkly forbidding to a layman, particularly when they are streaked with ice and when the steep gulleys between the buttresses are choked with unstable snow.

There is added menace from cornices formed by the wind as it whips across the lip of the summit ridge. Spindrift freezes into long cantilevers, which span out until they break under their own weight and thunder downwards.

Some believe the ancient meaning of Nevis is the venomous one. After a week in which five people have died and six have been badly injured on the mountain that derivation seems cruelly apt.

During some years Ben Nevis has its head in cloud for 300 days. It may be swept by freezing winds, making conditions Arctic.

Yet to a climber those forbidding cliffs are very attractive. There are more than 60 routes up the gulleys and buttresses of rock, including the Tower Ridge, a 1,900ft climb first completed in the winter of 1894. The north face of the mountain has been a magnet to mountaineers ever since.

The recent tragedies have raised questions about whether there should be better warning of dangerous conditions in the hills; but the general opinion among Scottish mountaineers remains firmly that good training and experience are the only answer.



Mr William Myles, secretary of the Mountaineering Council of Scotland, was given about avalanche danger; but not everyone had been aware of them.

"Over the last 15 years the number of people coming to the mountains has increased at least sevenfold, yet the accident rate has remained at about the same level," he said.

Peak snow conditions caused the latest accidents. Mr Myles hoped that BBC Radio Scotland would resume its weekend broadcasts of mountain condition reports given by local experts from a number of centres in the Highlands.

People, he said, did not always grasp how serious and how severe Scottish conditions could become. The cause of the accidents was an extreme example of fresh snow settling loosely on old ice that had thawed and frozen bone hard. When the surface snow was disturbed by the climbers it slid down, taking them with it and burying some.

The view that it was up to individuals to decide whether to climb or retreat was taken up by Mr Fred Harper, principal of Glenmore Lodge, the mountain training centre in the Cairngorms, which has 1,000 students a year on winter courses on which avalanche dangers are taught.

Measuring the risk was a scientific business that no mountain centre in Britain was equipped to undertake.

"In the Alps specific warnings are put out by local ski patrols which have a least one member qualified to make scientific judgments about particular slopes," he said. "More generally the yellow and black warning flag flies virtually all the time at some ski resorts."

"The patrols say that they have to fly it to avoid being sued by anyone caught in an avalanche when it was not flying."

But there was another, even more important, element in the equation. Climbers might be taught to judge conditions and to decide that the risk was dangerous; but they might still climb on, perhaps they had driven several hundred miles to do the climb and were loath to retreat.

The extra sense of objective danger might increase their determination. Sir Geoffrey Winthrop Young, a pioneer climber, said: "Mountain climbing is an adventure. There can be no adventure without uncertainty of its result, and in good adventure there is also an element of risk, even of danger to life."

Computer can trace type faces

By Pearce Wright

Science Editor

Forensic scientists have devised a new way of identifying the machine on which a letter or document of unknown origin has been written. That type of investigation has become more time-consuming and more difficult with the addition of electronic typewriters and word processors to the range of machines to be taken into account.

The process was developed by specialists at the Home Office Forensic Science Laboratory at Birmingham and Aldermaston and is described in the *Journal of the Forensic Science Society*. It depends on the ability of a computer to analyse more facets of the type styles of machines than has hitherto been practicable.

Methods of analysis evolved over the past 40 years rely on the scrutiny of more than 3,000 specimens of type which have been collected from equipment available up to seventy years.

The machines include early Hammond and Mignon models, British-made machines of the 1940s and 1950s such as Imperial, Oliver and Royal, and today's automatic designs.

The established method of analysis was based on examining a few key features of the printed characters. They included studying the lower case letters, a code which gives an individual description to each item.

The innovation over the traditional scheme lies in this system of coding and in the computer programme whereby the data bank can be searched.

Under the new scheme 30 features are measured, covering general style and letter spacing, and certain upper and lower case letters, figures and signs. The range of analysis has been extended because some documents contain few or even none of the key features of the existing means of classification.

The characteristics to be studied had been chosen samples of text were obtained for each of the models and entered into a computer data bank according to a code which gives an individual description to each item.

The innovation over the traditional scheme lies in this system of coding and in the computer programme whereby the data bank can be searched.

BR's £3 ticket

British Rail is offering a £3 go-anywhere ticket to pensioners throughout next month in an attempt to win back passengers after the train driver strike.

Television dispute 'may take months to resolve'

From Arthur Osman, Nottingham

Mr Robert Phillips, managing director of Central Independent Television, admitted yesterday that a solution to the problems that have delayed the launch of its separate service to the East Midlands would take months rather than weeks to resolve.

He agreed that it was possible the delay could be of "indeterminate length" but said the company was still committed to starting the service.

Earlier this month, against a background of new union demands and a projected £2m loss in its first 15 months, Mr Phillips said the company was not prepared to absorb the escalating costs of operating a temporary studio near Nottingham by secondment. That meant an end to a situation where technicians on secondment from the

company's Birmingham and Elysee operations had been being paid up to £900 a week in addition to their wages.

Mr Phillips insisted that the company had no intention of starting full operations in the East Midlands until firm agreements had been reached with various unions on relocation of staff, a common redundancy scheme and working arrangements, terms and conditions for its new studios at Nottingham, which it is hoped will start transmitting late next year.

A condition by the Independent Broadcasting Authority which allocating the Midlands contract to CIT was that it would become a dual franchise region with studios in Nottingham and Birmingham.

COUNTY IN PLEA FOR STATUS

West Yorkshire County Council is afraid that if it is not given intermediate area status for its textile and coalfield areas next August the effect will prejudice the county's claim for EEC assistance.

In a submission to Mr Patrick Jenkin, Secretary of State for Industry, the county says employment in the coalfield and textile areas has deteriorated so much that the Government should reverse the plan to withdraw the status.

In a letter to Mr Jenkin Mr John Gunnell, leader of the county council, says in spite of two years of pleas by West Yorkshire the Government has been unresponsive.

In the case of textiles the county council has received "informal assurances" from the European Commission that early assistance could be granted.

Royal Society of Arts EDUCATION FOR CAPABILITY

There is a serious imbalance in Britain today in the full process which is described by the two words 'education' and 'training'. The idea of the 'educated person' is that of a scholarly individual who has been neither educated nor trained to exercise useful skills; who is able to understand but not to act. Young people in secondary or higher education increasingly specialise, and do so too often in ways which mean that they are taught to practise only the skills of scholarship and science. They acquire knowledge of particular subjects, but are not equipped to use knowledge in ways which are relevant to the world outside the education system.

This imbalance is harmful to individuals, to industry and to society. A well-balanced education should, of course, embrace analysis and the acquisition

of knowledge. But it must also include the exercise of creative skills, the competence to undertake and complete tasks and the ability to cope with everyday life; and also doing all these things in co-operation with others.

There exists in its own right a culture which is concerned with doing, making and organising and the creative arts. This culture emphasises the day to day management of affairs, the formulation and solution of problems and the design, manufacture and marketing of goods and services.

Educators should spend more time preparing people in this way for a life outside the education system. The country would benefit significantly in economic terms from what is here described as Education for Capability.

The following manifesto, originally published by the Royal Society of Arts in the national press in 1960, and now appearing with minor amendments, has the support of:

Barry Adams, Kenneth Adams, Sir Campbell Adamson, Robert Aitken, Lord Alexander, Stuart Andrews, M A Andrus, Prof. Bruce Archer, Sir Ove Arup, Prof. John Askwith, Sir Richard Attenborough, Prof. Lord Baker, Prof. R J Ball, Cecil Beaton, Sir Donald Berman, Stephen Bayley, Lord Beaumont, Sir Terence Bestor, C M Beckett, Elton Bell, Lord Bewick, David Bevis, Michael Bert, Dr C W L Bawn, T H Bewan, Tom Blumson, Stephen Borge, Dr Brockington, Prof. Deane Brookes, The Rt. Hon. Lord George-Brown, Lord Brown, Sir Arthur Bryan, Tyrrell Burgess, Raymond Burton, Sir Adrian Cadbury, Sir Alec Cairncross, Viscount Caldecote, J Canham, Sheraton Cammuzzo, The Rt. Hon. Lord Carr of Hadley, Terry Casey, Lady Casson, Geoffrey Chastell, Frank Chapple, C V Chester-Brown, Sir Henry Chichester, Desmetrix Conino, Terence Cosmo, Sir Kenneth Corfield, Air Marshal Sir Peter Cox, The Rt. Hon. Lord Crichton, David Crouch MP, Sir Samuel Curran, N Owen Davies, Dr Duncan Dwyer, Peter Evans, The Rt. Hon. Edmund Dell, H J Dunster, The Rt. Hon. Viscount Eccles, Alan Eden-Gordon, Sir Michael Edwards, Dr B G Edwards, G England, Sir Francis Sedgwick de Fermat, Jean Fland, Lord Flenner, Michael Fors, Prof. Peter Forrester, Sir Campbell Fraser, Prof. Christopher Freeman, Dr R A Freeman, A F Frodsham, Sir Peter Gaden, Maurice Goldsmith, G T Goodall, Peter Gorb, Ann Gordon, S T Graham, Keith Grant, Roy Greenham, Harry Greenway MP, A H G Greenwood, Lord Gresson, Michael Haines, Prof. Charles Handy, Dame Diana Harris, G M A Harrison, R Haslam, Prof. John Heath, R L Holman, Prof. Peter Hirst, B J Hill, Sir John Hill, Dr Graham Hills, J Hinson, Prof. F H Hinkley, C A Hogg, G V Holroyde, Dr J H Horlock, F H Howarth,

RECOGNITION SCHEME 1982

The Society is promoting Education for Capability in a number of ways. One of these is to run its Recognition Scheme, now in its third year.

The purpose of the Scheme is to identify, encourage and publicise educational programmes designed to help people, whether school pupils, students or adults, to learn how to live and work more effectively. Applications will be welcomed both from all parts of the education system, and from public and

voluntary bodies and industrial and commercial enterprises, from within the United Kingdom.

If you wish to seek Recognition from the Society for a programme which aims at the objectives of Education for Capability, please write for particulars of the Scheme (for which the closing date is 10 May 1982) to: Timothy Castell, Education for Capability, Royal Society of Arts, John Adam Street, Adelphi, London WC2N 6EZ.

1981 Recognition Scheme certificates went to the work of:

Leamington Primary School, Oxfordshire; the senior work project at Belstead Special School, Ipswich, Suffolk; the Portland workshop project at Portland Comprehensive School, Weymouth, Dorset; Forest School Camps, Shire Training Workshops at Stroud, Gloucestershire; the Pastern Programme at Darrington Hall, Devon; the Service Agency from Home Scheme, sponsored by Community Service Volunteers, London;

creative problem-solving in the Civil Engineering degrees at Middlesex Polytechnic; the Master of Science degree course in Environmental Resources at the University of Salford; the educational programme of Arlwin Services Ltd, London; and the draft guidelines for building education projects prepared by Sergei Kadeligh, Bristol. Eight of the eleven projects recognised by the Society were given grants totalling £3,000.

Frigate ordered: Nott defends carriers sale

DEFENCE

An order had been placed today with Yarrow Shipbuilders for the eighth Broadside class frigate at a total estimated cost of £120m, Mr John Nott, Secretary of State for Defence, announced during question time exchanges in the Commons when he defended the decision to sell the carrier HMS Invincible to Australia.

He explained that Britain could not afford to deploy the air defence and anti-submarine escorts that would be necessary to protect carriers. It is better (he said) that we keep two in service rather than three and spend the cost of the money on the frigate force.

Mr Nott explained that including the new frigate order, he would have placed orders for warships with British Shipbuilders in the current financial year to a total value including their weapons, of £450m.

Rounding on his backbenchers he added: Can we please have a little less about a shortage of warship building orders.

Asked for a statement on the role of carriers in the fleet, Mr Nott said: The primary role of the carriers is to provide the anti-submarine operations in the Eastern Atlantic. In the next few years we intend to make particular use of our carriers in deployment outside the NATO area.

Mr Michael Brotherton (Leith, C): In the light of that reply, would he agree that the carriers would be able to make a significant contribution to the fleet's bearing in mind the role played by HMS Invincible in the Autumn exercise by NATO, to dispose of Invincible now would be a significant contribution to the national interest. (Some Conservative cheers)

Mr Nott: To bring him up-to-date, our discussions with the Australians have envisaged a hand-over of Invincible towards the end of 1983 when Illustrious will be operational. We also intend to run on Hermes until Ark Royal joins the fleet in 1985.

We expect a decision by the Australians by the end of the month. If they prefer a later date in 1985 when Ark Royal is in service, we will naturally consider the matter. I would like to debate the role of the carrier, but it is more than we would expect in answer to a question.

Mr Patrick Duffy (Sheffield, Attlee, Lab): Given the critical shortage in Scotland of anti-submarine operations on the surface as well as below and in the air, is he satisfied with the present complement of carriers of no more than three and perhaps only two?

Mr Nott: The carriers make heavy demands. We said in the Defence White Paper of June that we envisaged two carriers being in service. If we had to retain a third carrier, she would go into reserve.

It is better to try to obtain £175m, which is what would go into the naval programme if we

sold Invincible to the Australians, rather than have a carrier in reserve. Carriers make heavy demands on supporting and anti-submarine and anti-defence escorts.

We want to cover as wide an area as possible in the East Atlantic with frigates that can use Stingray.

Mr Winston Churchill (Stratford, C): The original conception of the Invincible class of anti-submarine warfare was that there would be three and that two would be on station at any given time and one in the dockyard.

If he goes ahead with his proposal to sell Invincible to the Royal Australian Navy, this will effectively halve the number of these valuable anti-submarine warfare vessels on station at any given time. Many MPs are strongly opposed to his proposed action.

Mr Nott: No, I cannot confirm that I envisaged three carriers being in service. In the White Paper it was clearly stated that there would be two in service. It is a question of how we can best dispose of our naval resources in the Eastern Atlantic.

The United States has an enormous Navy - ours would be the third most powerful in the world - and we cannot afford to deploy the air defence and anti-submarine escorts that would be necessary to protect the carriers. It is better that we keep two in service rather than three and spend the rest of the money on the frigate force.

Mr Barry Miller (Bromsgrove and Redditch, C): How is this country to sustain its NATO role in the Eastern Atlantic in anti-submarine operations? Would he take an early opportunity, outside this House if necessary, to explain his concept of anti-submarine warfare and how we are to meet our responsibilities in the light of the planned disposal of Invincible and the number of the frigate fleet of the frigate force?

Mr Nott said he was placing today an order with the Yarrow shipyard for the eighth Broadside class frigate at a total estimated cost of about £120m. This will enable us (he said) to take advantage of the reduced price offered by the shipyard at the end of this month - (Laughter) - which will secure a saving, with the seventh frigate we ordered the other day and this one, of about £5m.

Chemicals from behind closed Russian doors

It was time for MPs to concentrate on the threat from Soviet chemical weapons instead of criticising Britain's American allies, Mr John Nott, Secretary of State for Defence, said. Pressed by the Opposition on deployment of chemical weapons, he said there was no proposal to deploy them on British soil.

We have taken the lead (he said) in trying to get a ban on the manufacture of chemical weapons but the Soviet Union, because it has a massive lead in these weapons, deployed forward

in Europe, and has 60,000 troops trained to use them while NATO possesses none, refuses to agree to verification measures for a ban.

He was answering Mr Desailly Davies, an Opposition spokesman on defence (Llanelli, Lab) who had accused him of prevaricating on chemical weapons.

Mr Davies had said: We all know there is a Russian stockpile and there is going to be an American stockpile, and I hope for negotiations to reduce them. Will he make clear that the Government has no intention to manufacture chemical weapons or to allow them to be located on British soil - whether they are British or American?

Mr Michael McNair-Watson (Newbury, C): Has any European member of NATO yet asked for chemical weapons to be stationed in their country?

Mr Nott: There is no proposal at present to deploy the new American binary weapon forward in Europe and the American member of NATO yet asked for chemical weapons to be stationed in their country?

Mr Frank Haynes (Ashfield, Lab) asked if the stationing of chemical weapons in Europe was discussed at the last meeting of NATO defence ministers.

Mr Nott: No. Mr Haynes: Many people do not believe Mr Nott's statements on chemical weapons. When will he come clean and let the people know what is going on behind closed doors?

Mr Nott: Russia has 60,000 troops trained in and specially designated to fight in chemical warfare. The training is carried out in live chemical grounds and we know there are fatal casualties among the soldiers involved in Russia.

Russia holds over 300,000 tons of chemical weapons and much of this is deployed forward into Europe. The training is carried out in live chemical grounds and we know there are fatal casualties among the soldiers involved in Russia.

Mr Robert Brown (Newcastle-upon-Tyne, West, Lab) a former junior defence minister, said that pursuance of the Trident programme must mean the sacrifice of the surface fleet and the closure of shipyards like Swan Hunter on Tyneside.

Mr Nott: The Trident programme has hardly cost us anything up to now. The peak expenditure, if we decide to go for Trident 5, on Trident will be in the late 1980s, when the Tornado programme will have been over. The Tornado is costing us £1,250m: far more than Trident will ever cost.

Trident will be costing us less than any other major defence capability of this country, greater than in 1975 and they had an enhanced capability there was still a shortage of fighter pilots,

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Churchill: Sale opposed

few years. He has the relative scale and cost of Trident entirely out of gear.

Mr Nott explained that the Government had not yet reached its final decision on the UK Trident programme so he was not in a position to make a statement.

He told Mr John Silkin, chief Opposition spokesman on defence and disarmament, that there would continue to be a real increase in defence expenditure on conventional forces. That was not the policy of the Opposition.

Mr Timothy Renton (Mid Sussex, C): If the Government decides to go for the advanced D5 version of Trident, what trade-offs might be offered by the United States to offset the increased costs?

Is he personally convinced that, if we go for the D5 we will still be able to maintain our conventional forces at the necessary levels?

Mr Nott: We will be able to maintain these forces. We are in the process of coming to a decision between C4 and C5 and that requires discussions with the United States. I cannot comment on the first part of his question.

Mr John Silkin, chief Opposition spokesman on defence and disarmament: As the whole of the Government's nuclear policy is destroying our conventional capability, how can he continue to enlarge the Trident programme?

Mr Nott: When we came to office Labour was spending £2,900m on defence equipment. This year we are spending £5,500m in real terms on this. Everyone knows his policy is to reduce defence spending.

Assuming we come to a decision in favour of Trident, to confirm it, and go for the larger missile, there will still be a substantial real increase in our spending on conventional forces in accordance with our announcement on a 3 per cent increase in defence spending up to 1985-86.

Mr Richard Douglas (Dunfermline, Lab): What are the overriding strategic requirements for taking a decision on Trident now?

Mr Nott: Eight successive governments of all political parties have believed in the need for a strategic independent deterrent. There is nothing new about deciding to modernize that deterrent. The previous Labour Government decided to modernize the deterrent secretly; we are doing so openly.

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Duffy: Critical shortage

Mr John Nott, Secretary of State for Defence, said.

Mr Peter Hardy (Rother Valley, Lab): There is discrepancy and hides the fact that many of these aircraft are extremely old. It disregards the fact that for much of the life of the present Government, operational flying hours of pilots in the relevant RAF squadrons have been greatly reduced.

How does that equate with the position we heard so much of Conservative MPs before 1979?

Mr Nott: It takes a good number of years to improve any defence capability. Since we have been in Government we have proceeded with the Nimrod early warning programme, agreed to run on the two Buccaneer squadrons into the 1990s, we are bringing forward the Tornado defence version which will only be a few months behind schedule, and the VC10 tanker force will multiply our air capability to a large extent. We have agreed to arm 72 of the Hawks. We are redeploying Bloodhounds.

Mr Alan Beith (Berwick-upon-Tweed, C): Did he not refer to a window of vulnerability over the price of the Trident programme?

Mr Nott: I referred to a window of vulnerability in general terms. I was referring to the total capability of NATO as against the capability of the Soviet Union. The Warsaw Pact forces in all areas will continue to increase vis-a-vis that of NATO in the next few years. That is the window of vulnerability.

Mr Anthony Buck (Colchester, C): What we have done about pay and conditions has stopped there being an outflow of trained pilots.

Mr Nott: When we came to power we were about 200 fighter pilots short. We are still short of fighter pilots. It takes two years and a half to recruit and train a fighter pilot.

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Foot demands help for jobless

UNEMPLOYMENT

Mr Michael Foot, Leader of the Opposition (Ebbw Vale, Lab), referring to today's published figures of unemployment, asked the Prime Minister at question time: can we have an assurance that the coming Budget will not, like all the previous Budgets under her administration, cut drastically to the unemployment total and that in that Budget she will take steps to restore the benefits to the unemployed who have had their benefits cut under her Government? (Labour cheers)

Mrs Thatcher: Tax reductions by definition usually go to those who pay more. (Labour protests). If people do not pay very much tax they cannot get much back on tax reductions, but I would point out that the top 40 per cent of incomes start at about £7,500 a year and that would not be thought of as rich under his definition.

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is largely accounted for by the increased unemployment.

Mr Jack Straw (Blackburn, Lab): The Treasury is refusing to give information on the total cost of tax cuts. Can we have an assurance that the coming Budget will not, like all the previous Budgets under her administration, cut drastically to the unemployment total and that in that Budget she will take steps to restore the benefits to the unemployed who have had their benefits cut under her Government? (Labour cheers)

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Would she comment on the £500,000 reduction in the public budget on Merseyside and consider the possibility of reinstating that money to pay 1,000 extra policemen on the beat? Parents have a greater responsibility in dealing with their own children.

Mrs Thatcher: We do not believe there should be any reduction in the amount spent on these difficult days, on the number of police or on the provision of equipment. We should be strenuously against any reduction in the numbers or in expenditure on these matters. We understand that the community police is having a beneficial effect in Liverpool. It is hoped it will strengthen relations between the police and the community.

The Government, she said, was concerned about events at the school.

It is (she went on) a relatively new school with a good teacher-pupil ratio. Parents and all citizens have a duty to teach the principles of law and order and see it is upheld. In some of these areas some of the children suffer from what are called "accidental injuries"; sometimes children are abandoned.

This occurs in such areas as the streets and the social and voluntary agencies to everything they can to diminish it.

Commons (2.30): Questions: Scottish Office. The Scottish Office (London) Bill, second reading. Lords (2.30): Debates on rural matters, problems of the Scottish Highlands, and on A320 Airbus.

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Stewart Tendler reveals how a cool con-man made a little money go a long way



The "cross-fire" cheque artist: Siegmund Sperber — charm, skill and panache, and the alias Georg Pratten.



His country house: Little Stream, Virginia Water — antiques, 102 expensive suits, a Mercedes, a Rolls-Royce and a Jaguar, and gold and silver.



The Waldorf: Sperber did his deals here, but the police waited in vain.



The convent: Used, unknown to the nuns, as a "dead letter" drop.



The sleuth: Det Sgt John Mullally, whose doggedness matches Sperber's cunning.

How Siegmund Sperber lived high off the banks

At Interpol in Paris the last trace of Siegmund Sperber was in Switzerland 10 years ago; the file says "identity uncertain". On the Antwerp diamond bourse, dealers thought he was dead, killed in a mysterious car crash in 1974. The police in Rome wanted to talk to him about a billion lira fraud in 1976.

Yesterday at the Central Criminal Court, Sperber, known in Britain as Georg Pratten, was sent to prison for five years for his part in what was, by his standards, a minor piece of chicanery. For Mr Sperber is a monarch of international frauds, king of a system of financial musical chairs which has milked banks across Europe of nearly £3m in the past few years.

He has not been tried for these offences. When on case was brought before the courts last autumn, his complex police investigations it was thrown out on a technicality.

Siegmund Sperber is the sort of man bank managers seem to take to immediately. He arrives driving an expensive car. Well dressed, he travels as a middle-aged international businessman, usually in diamonds, who exudes a Mittel European charm (which at the age of 64 still wins him more than his fair share of women).

The confident patter is underlined by a gesture of the hands, a sweep of the arms. He explains that he is no babe in the world of finance but he needs a little help, not being too well acquainted with the procedures of his victim's country. He wants to open an account and he needs a little understanding, like credit facilities and transfer arrangements. Sir, he tells the manager, my business depends on flexibility.

Indeed it does. Mr Sperber's speciality is a fraud technically known as cheque "cross-firing". Since the advent of computers it has rarely been seen; most banks assume they are no longer at risk. Mr Sperber has personally disabused several leading European banks of that belief.

The scheme is complex, involving considerable juggling and timing of the international banking system. Put at its simplest it involves a victim bank in one country and accounts at other banks in second country.

The first move is to open current and deposit accounts with the intended victim. The second stage is to build up a credit rating and demonstrate respectability. So far Mr Sperber is a normal customer.

What the victim does not know is that Mr Sperber is also opening up a network of accounts under other names, or using associates abroad. At the centre of the network is a clearing bank.

Over weeks or months Mr Sperber begins to circulate money from the victim bank through the other accounts and then back to the original current account. Sometimes he is in the black, sometimes in the red. The bank does not worry. He seems a very active customer with business relations with many people and other banks, and he is paying interest on the current account overdraft.

Once confidence is established Mr Sperber asks his first victim bank to transfer money by telex to another account on the security of uncleared cheques received from banks in the network. These will take days to clear against a transfer on the victim bank, which can be completed the same day.

All the time Mr Sperber, with a stroke of impudence, is using the victim bank's money to redeem post-dated cheques at the other banks. The amount of money circulating rises. At the victim bank the uncleared balance is the one calculated on the day a cheque is received but the true balance of Mr Sperber's total indebtedness is not known, except by Mr Sperber. Only when the cheque cleared by the bank on which it is drawn is the true balance revealed — but that is only for a fraction of the time, because Mr Sperber is repeating the process.

By this time Mr Sperber has cheques coming into his account, let us say, of £50,000 to see to an overdraft of £300,000. The bank is still not worrying because Mr Sperber has

£50,000 on deposit and is still paying interest on his overdraft. As the amount of money circulating rises Mr Sperber siphons some off and then starts the last stage. He takes money out of the network banks. When the victim bank presents its cheques there is no money to meet them. The cheques are returned, and only then does the bank know how much it has lost.

From whom Sperber learnt his skill is unknown but he brought to cross-firing a mind capable of keeping abreast of complicated detail and considerable panache — one victim agreed to hold parcels of diamonds as collateral without ever checking the parcels.

In one fraud 33 different bank accounts were used. But over the years Sperber has been both bold and unlucky. He has been to prison only twice. He was born in Vienna in 1918 but spent his youth in Cracow, Poland. Before the start of the last war he moved west to Belgium where, although Jewish, he survived the Nazis with the help, it is said, of a Belgian order of nuns. Thirty years later the nuns were still unwittingly protecting him in London.

In 1946 Sperber set up as a diamond dealer, living in Antwerp. Married in 1948, he was no longer resident in Belgium in the early 1950s and in 1954 his company went bankrupt. Nonetheless he appears to have continued as a dealer until 1956, when he is alleged to have defrauded a number of his colleagues by disappearing with diamonds on credit.

Two years later he was sentenced to two months imprisonment and the next year sentences of two and five years were passed on him in Antwerp. In the meantime Sperber had jumped bail.

He emerged again in 1964 in Italy where he was tried and acquitted for fraud, but he was extradited to Belgium to serve his sentences. In his defence yesterday it was said that the sentence in Belgium was reduced to three years and that he had been tried and cleared in Austria.

In 1969 he was sentenced to three years imprisonment in France but the sentence was passed in absentia. Sperber had disappeared again.

He was now to be found part of the time in Switzerland, where Swiss authorities believe he extracted £500,000 from branch of the Banco di Bilbao. In 1971 the West Germans extradited him to Switzerland and early in 1972 he stood trial there. The Swiss are circumspect about what happened next but it appears Sperber walked out of court during an adjournment.

In 1974 a rumour spread round the Antwerp diamond dealers that Sperber had died in a car accident. His former wife, whom he had divorced in 1969, was among those who thought he was dead.

Banks in Rome and Milan discovered in 1976 that he was very much alive and a warrant was issued for his arrest after a fraud involving 1.8 billion lire, the equivalent of well over £1m. But he was in London, where a large commercial bank would like to talk to him about £477,000 which it is owed.

The next year he and a Belgian girlfriend were at a branch of the Amsterdam Rotterdam Bank, AMRO, in Bergen-Op-Zoom, just over the border from Belgium. That bank would like Mr Sperber to account for £365,000.

Three hundred yards up the road from the AMRO bank in Bergen is a branch of the Algemeene Bank Nederland, ABN. In 1979 the Belgian girlfriend opened an account there. Sperber was lucky because one of the staff was married to an officer of the luckless AMRO branch, but no one made any connexion.

Mr Sperber might still be dropping in on Bergen today were it not for his nose for perfume. Among his varied commercial interests was an involvement with a perfume company.

In 1976 Charles Scott (Parfums) Ltd, a family firm in Finchampstead, Berkshire, asked the National Union Bank in London, a discount house set up to assist manufacturers facing cash flow problems, to help it

finance trade. The mechanism by which NUB did this was to set up a sales company, Scott Parfums (Sales) Ltd, as an NUB subsidiary.

When a customer bought perfume, on credit, NUB through its subsidiary paid Charles Scott (Parfums), the manufacturer, 80 per cent of the bill, minus service and interest charges. Charles Scott (Parfums) would receive the remaining 20 per cent when the customer paid the bill.

In the summer of 1977 NUB was taken over and it was announced that the discounting business would end in the spring of 1978. The value of goods discounted for Charles Scott (Parfums) began to rise, mainly because of a new account with firms called Agrostis Import/Export Ltd and Texmay Finance Ltd. At first payments were made within the 90-day period for credit, but then the payments dried up.

Proceedings were taken against Agrostis and Texmay, who said they had never received the perfume. Police investigations concluded that no perfume had ever been destined for them. Arrests were made, and yesterday Maurice Thomas Wood, an accountant and director of Agrostis, was jailed for a year for his part in the £271,000 fraud.

But another man remained elusive. The guiding light behind Agrostis and Texmay was a Mr Georg Pratten, who was thought to live much of the time abroad.

Detective Sergeant John Mullally, a member of the fraud squad, set out to find him. Mr Mullally, a determined Ulsterman, began what was to prove a long game of hide and seek through the winter of 1979 into the spring and summer of 1980. Pratten, via his lawyers, offered to meet the policeman abroad and promised to keep appointments, but never appeared.

Pratten was known to favour the Waldorf Hotel in the Aldwych for business meals and meetings. Suspecting he might be on his way there, Mr Mullally called in undercover detectives from the Yard's criminal intelligence branch. Disguised as doormen, road sweepers, passing pedestrians and hotel visitors, they waited in vain. Pratten's second sense saved him and he did not appear.

Mr Mullally dogged the heels of a girlfriend of Pratten day and night for over two months, trailing her buses homeward without sign of Pratten. The policeman discovered her while investigating the firm where Mr Wood worked. She was on the switchboard.

In June 1980, he was watching a flat used by her in north London when a green Mercedes Benz turned into the street.

As Pratten pulled up, the policeman ran down from his vantage point on a six-storey block of flats, jumped garden fences and sprinted into the road. Pratten, planning a lunch with the girl, was unlocking the boot of his car to take out a bottle of wine and some food. He found under arrest.

In his briefcase the policeman found signed blank cheques drawn on accounts under different names in London. The cheques were part of the fraud on the ABM bank amounting to almost £400,000. At the same time the bank was being used in complex credit deals with a London jewellers, A. Byworth and Co. Jewellery was given to Pratten on approval for 30 days against post-dated cheques on London accounts.

When the moment came to honour the cheques others drawn on the Dutch bank would be substituted. Those would take time to clear and so extend the period of credit. The firm eventually lost £250,000, although Pratten later argued in court that the cheques would have been met. Mr Mullally discovered one reason why he had had difficulties tracking Pratten down. He was comfortably ensconced in a large house with an acre of grounds in Virginia Water, Surrey, deep in the stockbroker belt. The house had been bought for £54,000 cash in another name in 1978.

The garden had been landscaped, garages added and the interior stripped. Antiques filled the lower floor and upstairs in Pratten's room 102 suits were neatly arranged in the wardrobe, graded from light to dark shades in each colour. Many of them came from an expensive tailor in Milan.

By the garage, Pratten's cars were lined up. The green Mercedes, a grey Rolls-Royce, a mauve Jaguar and an Alfa Romeo which the Italian chauffeur said was his. Neighbours were told the cars were the fruits of repossession orders against Pratten's debtors. At the time of his arrest Pratten announced he was going abroad for a month or so.

The police discovered that to cover his tracks Pratten had registered the cars at the London convent of the Missionary Sisters, in Hampstead, the Belgian order said to have protected him during the last war. The convent was also used as a poste restante, an address for accounts.

A senior member of the staff told *The Times* that

letters had been sent to the convent, which it had returned to the Post Office; others had been picked up by visitors. The sister in charge of the convent at the time had since returned to Belgium and the current staff knew nothing.

The police discovered that Pratten's Belgian girlfriend owned a flat worth £30,000 in north London. There was also a bolt hole for Pratten in Milan. Throughout the time Mr Mullally was searching for Pratten he had no idea of his real identity. When he was arrested the police had nothing more than a man with a West German identity card aged 52 and born in Munich. The criminal records office at Scotland Yard does not keep records for individuals beyond a certain age on the basis that they become too old for crime. Besides, he had never been convicted in Britain.

The West German computer at Weisbaden knew differently. Late at night an

excited German voice told Mr Mullally: "You have an international delinquent." The "Pratten" identity card was one which had been stolen.

But Sperber's luck was not totally exhausted. Last autumn he and two accomplices came before the Central Criminal Court charged with fraud against the second Dutch bank and the British jewellery firm. After listening to legal argument Judge Buzzard ruled that the Dutch case was outside British jurisdiction although counsel for one of the defendants conceded that fraud had taken place.

The jewelry charge was also dropped because it was argued that the loss would have been accounted for had the police not stepped in and made their arrests, thus preventing international cheques from being met.

The judge's decision caused anger and frustration among the prosecutors. It has raised doubts about the

feasibility of prosecuting international frauds in this country. But Sperber was not free. He remained in the maximum security wing of Wormwood Scrubs, supplied with meals brought from his Surrey home, and began trial before Christmas on the perfume fraud. Mr Mullally, who suffered a heart attack during the complex investigations, gave evidence for 14 days.

Sperber chose to make a statement from the dock. For three days he brought to play yet again his considerable charm. A slightly rumpled figure with a mane of white hair, he was the image of the benign Dutch uncle.

At the end of one afternoon in the 13 week trial he looked up at the judge and in the manner of a barrister suggested that "perhaps this would be a good point to adjourn for the day my lord". The judge agreed.

Today, at the end of a trial costing more than £250,000,

Pratten knows as he begins his sentence that he may need that blend of presence and impertinence again. The Italian authorities are planning extradition proceedings and the Dutch are also considering action.

Sperber is believed to own properties in France and elsewhere. The police also suspect there may be anonymous bank accounts in Switzerland. There is an arrest warrant out in Antwerp for his Belgian girlfriend.

The future of Little Stream, now worth £160,000, has not been settled. A few days after Pratten's arrest notice was given that it had been bought on a loan from West Germany.

In Sperber's room resting on the leather-bound blotting pad given by Rolls-Royce to its customers is an antique American hunting knife used by prospectors in California. On the blade is inscribed: "dig gold out of quartz". Sperber's motto, perhaps?

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National Savings

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...now admits that his "push game at a stroke. That's where we as centre half and the game has pressing and an elegant certainty about it matched later RESULTS: ...

Russians invite Chinese to border talks

Moscow, Feb 23. — The Soviet Government has proposed a resumption of talks with China on the two countries long-standing border dispute, a Foreign Ministry spokesman said today.

The spokesman said the Soviet Union had approached the Chinese Government with a proposal to discuss the border issue, but he emphasized that Moscow did not intend to discuss what he described as "territorial questions".

The two countries last met in 1978 in Peking to discuss the dispute, which led to bloody border clashes 13 years ago and has provoked deep bitterness in both Peking and Moscow.

China claims 600,000 square miles of Soviet territory, but Moscow rejects the claim and publicly insists that talks should deal only with border protocol.

The Foreign Ministry spokesman did not say how or when the latest approach was made, but Soviet sources in Peking said today that the Kremlin informed the Chinese Government of its readiness for talks on February 1.

Western diplomats in Moscow said the Soviet move seemed timed to coincide with strains between Peking and Washington over the United States' recent sale of advanced fighter aircraft to Taiwan.

The Soviet Government is deeply concerned by the increase in Sino-American

economic, political and military cooperation and is eager to settle its differences with China, the diplomats said.

Mr Nikolai Tikhonov, the Soviet Prime Minister, hinted at a softening of Moscow's attitude last week when he said that the Kremlin "would not be kept from taking concrete steps" towards improving Sino-Soviet relations. However, the process of improvement, he told a group of Japanese journalists, must not be one-sided.

Marshal Dmitry Ustinov, the Defence Minister, echoed Mr Tikhonov's line in an article published in *Pravda* today.

Marshal Ustinov refrained from making any of the customary Soviet charges of aggression against China and limited himself to warning Peking that its policies could only help Washington's aggressive preparations.

Peking and Moscow have held 15 rounds of border talks since the 1960s when the two Governments, formerly close allies, became involved in a fierce ideological dispute.

Moscow's last formal proposal to resume the talks, made six months ago, was rejected by the Peking leadership.

China has cited the Soviet military presence in Afghanistan, besides other international ideological issues as hindrances toward the reestablishment of normal relations. — Reuters.

Britain presses chemical arms ban despite US

By Our Foreign Staff

Britain yesterday tabled proposals aimed at making sure that countries comply with any international ban on chemical weapons. The move was made in the 40-nation United Nations Disarmament Committee in Geneva.

The British recommendations include the setting up of an international consultative committee to carry out on-site inspections and to seal up weapon production plants within six months of the convention coming into force.

Asked how this initiative tallied with the recent American decision to manufacture new nerve gas weapons, the Foreign Office in London later said it appreciated the position of the United States, which was attempting to counterbalance the large Soviet stockpile of chemical weapons.

At the same time, the British Government thought it important to continue to press for an international



Poland: Sanctions; Jaruzelski visit

EEC to curb Soviet imports

By Our Foreign Staff

EEC foreign ministers meeting in Brussels yesterday agreed to send to the Soviet Union "a clear political signal" of displeasure about events in Poland. It will comprise a curb on what has been calculated as about 2 per cent of total Soviet imports into the Community.

It can only be sent subject to reservations by Greece and Denmark. Greece has already made it clear that it will not be associated with sanctions against the Soviet Union and Denmark has said it finds it legally hard to accept that Greece should be exempted from any supposedly joint EEC measures.

It has therefore been left to the European Commission to find a compromise, one idea for which is that restrictions should be imposed only on goods not bought by Greece.

The Commission proposals are expected to be ready in the next few days. Yesterday's meeting approved the restrictions in principle.

A ban will be limited to manufactured products and luxury goods. According to Italian figures these total about £30m a year. A French proposal that the ban should amount to half this figure would mean cutting Soviet imports by roughly 2 per cent.

There was no discussion in the Council about latest developments in Poland, the aim being merely to agree on a signal which would, in the words of Lord Carrington, the British Foreign Secretary, show that "this is what happens if you do this sort of thing and if you do it again it will be worse".

The Council also agreed to send humanitarian aid worth £4.5m to Poland for distribution through charitable organisations.

Part of the session was given over to a discussion on progress towards what would

amount to a new charter of European unity. Known so far as the European Act, it was originally suggested jointly by West Germany and Italy and has been discussed by a small group of Community diplomats over the past few weeks. They are now to report again on the idea by May 24.

□ Tokyo: The Japanese Government yesterday announced that it will take steps to impose sanctions against the Soviet Union and Poland.

Mr Kiichi Miyazawa, the chief Cabinet Secretary, said the Government would refuse to reschedule Polish debts or lend more money "for the time being because... the Government recognises that the unity and cooperation of the Western nations are of utmost importance in coping with the Polish question".

Mr Miyazawa said the sanctions would not be applied to any economic assistance already committed to Poland.

In terms of the measures, which were described as half-hearted by Western diplomats, Japan will also, among other things, suspend trade consultations with the Soviet Union and shelve Moscow's request for the enlargement of its trade office in Tokyo.

□ Madrid: Poland countered criticism at the European security review conference yesterday with charges that Britain used torture in Northern Ireland, diplomatic sources said.

The Sub-Director of Foreign Affairs, Mr Włodzisław Konarski, asked how Britain would react if other countries insisted on dialogue between authorities in Ulster and representatives of the Roman Catholic Church, Protestant leaders and the IRA.

□ Paris: Herr Helmut Schmidt, the West German Chancellor, said in an inter-

view with *Le Monde* newspaper yesterday that the world economic crisis constituted a danger at least as great as tension between the super powers and the "Polish tragedy".

"Unemployment in the northern hemisphere and famine in the southern one lead to a social and political destabilisation which enhances communist influence and other destabilising factors."

□ Geneva: Calling for a world religious summit for peace, the Archbishop of Canterbury, Dr Robert Runcie, yesterday described events in Iran and Poland as "eruptions of a religious power which can never be suppressed no matter how much it is denied, but which needs to be channelled and informed by the exercise of reason".

□ Brussels: Belgium has announced sanctions against Poland and the Soviet Union, in line with the undertakings it gave with other Nato and EEC countries.

They include a suspension of exchange visits between ministers and senior officials and restrictions on visas for Soviet diplomats.

Talks on re-scheduling Polish debts are to be suspended, a Belgian-Polish commission is being set up to investigate the killing and destruction there.

The government report — issued after accusations that the Western press, including *The Times*, had fabricated and exaggerated the extent of the Hama massacre — spoke of "firing mosques and streets... the liquidation of whole families".

The account was contained in a telegram of support to President Assad of Syria by the Baath Party branch in Hama, which blamed the extremist Muslim Brotherhood for the fighting.

It said that "the black wrath against the people began with firing from mosques and streets on the houses of residents, killing randomly anyone walking in the streets and liquidating whole families, including men, women and children and killing brutally all those who did not open their doors to become objects of treason".

According to the account, Baath Party members were shot while they were asleep in bed. When the party's "security apparatus" attempted to bring violence under control, the Brotherhood retaliated by "pillaging stores and murdering doctors and lawyers and religious men. For this our comrades struck with the power of justice and the criminal tide was stopped at the early stage of the plot".

Hama battle confirmed by Syrians

From Robert Fisk, Beirut, Feb 23

The Syrian Government today issued its first official statement on the fighting in Hama, confirming widespread killing and destruction there.

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□ London: The British Government yesterday eased restrictions on the movement of Polish diplomats in Britain to bring them into line with those applied to British diplomats in Poland. The British restrictions were imposed earlier this month.

Previously permission had been given only in exceptional circumstances.

The relaxation does not apply to Polish journalists, the staff of the Lot airline, nor the Gdynia America shipping line.

Shamir fails to close the gap

Cairo, Feb 23. — Israel and Egypt still face wide divergences on the content and the scope of a proposed declaration of principles on Palestinian autonomy, official Egyptian sources said in Cairo.

Commenting on the first round of talks between Mr Yitzhak Shamir, the visiting Israeli Foreign Minister, and Mr Kamel Hassan Ali, his Egyptian counterpart, the sources said that for Egypt, such a declaration must be "acceptable to the Palestinians and to Jordan".

For Israel, the priority was a five-year transition period to precede autonomy in the West Bank and Gaza.

Sinai withdrawal

Egyptian sea cannon show who rules the waves

From Christopher Walker, Sharm el Sheikh

In addition to two air bases, the airfield used to launch the Entebbe raid, hundreds of miles of new roads, modern hotels, diving schools, restaurants and air-conditioned flats, the Egyptians will be receiving two of their own pre-Second World War guns when they regain the remaining one third of occupied Sinai on April 26.

The British-made sea cannon, over 20 ft long and with barrels clearly engraved with the insignia of George V, still sit symbolically, if impotently, astride the concrete emplacements which command the narrow Strait of Tiran, 400 yards of the Red Sea which are vital to the security of Israeli shipping to and from Asia and East Africa.

Now useful only as a museum piece, the guns have been deliberately left where they were abandoned by the Egyptians in 1967 as a reminder to any visitor of the importance of the area for Israel. A metal sign explains that attempted Egyptian blockades of the waterway have sparked two Middle East wars.

More than any amount of government propaganda, the position of the guns and the narrowness of the strait (used for importing much of Israel's oil) are a reminder of what Israel has sacrificed for peace with her largest Arab neighbour.

Directly opposite the grey barrels of the cannon is the island of Tiran and next to it, Sinai's Red Sea, which is infested with snakes and has no water resources. The two forbidding and uninhabited islands — scarcely talked about at the time of Camp David — have recently emerged as two of the most controversial areas in the delicate next stage of the peace process.

Under the terms of the 1979 treaty, Israel is due to hand them back to Egypt, along with the remaining 12,000 square miles of the Sinai peninsula.

Security in zone C, the part of the treaty in which the islands are clearly designated as the responsibility of the American-organized Sinai multinational peace-keeping force, which is due to begin operations in March.

Controversy over the remote islands was sparked when Prince Fahd of Saudi Arabia — which leased the two islands to Egypt in the 1950s to facilitate the blockade of the Tiran Strait — was quoted as telling Saudi university students that the Egyptian government was responsible for returning

them "to the mother country". The claim fuelled growing anxiety in Israel about the future of the islands after the final withdrawal.

In recent talks in Cairo, Israel's foremost defence minister, the former general Ariel Sharon, agreed to accept Egyptian assurances about the islands, which will be patrolled by Egyptian civilian police after April 26 and also come under supervision from the Sinai force.

Probably no by coincidence, one of the two bases for the new force is now being built on a barren cliff-top looking straight over the sparkling water to the rocky shores of Tiran Island. Working against the clock, a force of 250 men, more than half of them imported labour from Thailand, is struggling to complete the camp in time for the arrival of the first infantry soldiers.

Though the new force is intended to be multinational, there seems little doubt that its predominant character will be American (one reason why the Reagan administration was so anxious for

even minimal European participation). As I was driven around the 150-acre site last week by Bob Jaggard, the resident US Army corps engineer, there was every sign that it would soon be taking on the feel of what one worker described as "little America".

Mr Jaggard, from Silver Spring, Maryland, described the construction problems caused by the long-running indecision about the participation of British, French, West German and Dutch contingents to join those of the United States, Fiji, Uruguay and Colombia.

With little prospect being held out of the Egyptians of managing to maintain the tourist trade brought to the area under Israeli occupation, attention is being paid to providing maximum recreation facilities for military troops who will be stationed

there. The article, specifically aimed at the growing lobby against the April withdrawal, pointed out that no Israeli military figure of any stature had opposed the peace treaty on strategic or tactical grounds. It concluded: "The return of the Sinai is not a happening in a vacuum. The return of the area is being made in a political context and under security guarantees. A violation of either the political process or the guarantees will place Israel in a better military position than before."

He said: "By withdrawing from Sinai, the Israeli defence force has shortened its line of supply. It has rearranged its forces in the Negev and other parts of Israel from where they can be quickly and easily concentrated against a threat from either direction. It has eliminated the call-up of reserves, paralysing the economy every time there is an emergency."

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IRAN URGED TO END TORTURE

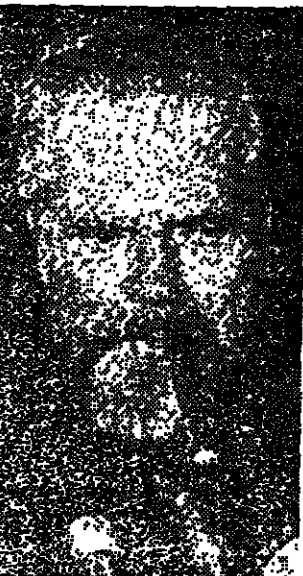
By David Cross

Amnesty International announced today that it had appealed to the Iranian leadership for a public ban on the torture of political prisoners.

In its appeal, the rights organization said that it had received hundreds of detailed reports of torture inflicted by revolutionary guards in Iran's jails. Some prisoners had died under torture, others been hanged, apparently to make it appear that they had been legally executed.

Amnesty said that during 1981 it had received more than 200 detailed statements of cases involving torture, some of them backed by photographs and medical reports. They included descriptions of special torture rooms in Evin prison in Tehran, where prisoners were burned with iron and cigarettes, beaten, kicked, whipped and subjected to mock executions.

The tortures were similar to abuses perpetrated under the Shah before the 1979 revolution, Amnesty said.



France honours Orson Welles

Orson Welles, the film producer, director and actor, facing the press at an hotel in Paris. He was in the city to be awarded the Medal of Honour by President Mitterrand at a ceremony yesterday.

BL uses new technology in fight back

BL's reputation for innovation in automotive design is world-wide.

These skills are now matched by the Company's in-house technology.

In many areas, this technology leads the world.

Few car makers can match BL's work on the use of computers in design and engineering.

BL Systems engineers have pioneered new techniques for crash simulation and automated production planning.

To this has been added extremely advanced technology in such vital aspects of quality control as paint

finish, electrical and engine testing and corrosion control.

BL is forging ahead in automation too. With a bigger robot population than the whole of the rest of British manufacturing industry.

A second generation of BL robots is now under development.

All these new technologies are an investment in safety, quality, reliability and profitability that will help BL to thrive in the world's automotive market.

BL Fighting back

Moscow gives nod of approval

From Roger Boyes, Warsaw, Feb 23

The Soviet Union has given General Wojciech Jaruzelski, the Polish leader, a discreet vote of confidence by inviting him to Moscow next week.

That is the view of diplomatic analysts here who point out that the announcement of the visit comes only days before the Polish Communist Party's Central Committee holds a plenary session during which the general is expected to come under some criticism for his relatively moderate policies.

But by stipulating that the Moscow visit will take place in the first week of March, the Soviet Union is clearly signalling its belief that General Jaruzelski will retain his position as party chief.

Party hardliners — pro-Soviet, Marxist fundamentalists — have been gathering strength since the declaration of martial law and have been expressing, in oblique ways, varying degrees of impatience.

The declaration of martial law raised expectations among Poles that hardline Communists that have never been fulfilled. The common assumption has been that the Soviet Union sympathized with these feelings.

Having agreed to — or orchestrated, in the view of the United States — military takeover Moscow must be frustrated with the results. The party has still not

regrouped and still not healed its wounds; the economy has if anything deteriorated and leaders of Solidarity, the independent trade union movement, though jailed, still seem to have an emotional sway over many sectors of Polish society.

A sign of this frustration is Soviet pressure on the Poles to drive a wedge between the Roman Catholic Church and Solidarity, though it seems merely to have resulted in a propaganda attack on churchmen visiting internment camps.

Martial law has, however, achieved two goals in the Soviet interest: it has ended strikes and the constant challenging of the party and it has brought the Polish Government much more firmly into the Soviet orbit.

Trybuna Ludu, the party organ, today said "We must orientate our foreign cooperation ties, and more strongly so far, towards the fraternal countries of the CMEA (Comecon), the economic grouping, the Soviet Union, the friends who take a vital and honest interest in the normalization of life in our country."

The Soviet Union thus appears to be more or less satisfied with these two limited achievements since martial law. It is not, above all, in the Soviet interest to see General Jaruzelski lose control, even to an avowed

hardliner like Mr Stefan Olezowski.

Having sanctioned the state of affairs in Poland, it must not see it through General Jaruzelski who is also Prime Minister, head of the military council and Minister of Defence will only cede his leadership of the party when international law ends.

These judgments are drawn largely from party sources who are inclined towards the liberal reformist wing and therefore may contain a certain amount of wishful thinking. But the verdict seems to be correct: the hardliners are making more noise than they have genuine influence, at least within the Central Committee.

□ Mr Lech Walesa, the interned leader of Solidarity, today quashed speculation that the baptism of his baby daughter would be turned into some form of public spectacle, (Reuters reports).

Reports published in the West have suggested that he might be set free for the baptism and that the Polish prime minister, Archbishop Jozef Glemp would officiate, thus turning the ceremony into what would amount to a political event.

Today, Father Henryk Jankowski, Mr Walesa's parish priest, said the Walesas wanted the baptism to be a private family affair.

Leading article, page 11

NEWS IN SUMMARY

Police chief shot dead in Naples

Naples. — Two unidentified men shot dead Police Marshal Antonio Salzano, aged 52, at his house, and officials said the murder might be connected with a courtroom shooting here yesterday.

An anonymous caller telephoned a newspaper to say that Signor Salzano, a senior officer, had been murdered "because he supplied the arms for the courtroom shooting."

One detainee was shot dead and two others were seriously injured when a fourth prisoner attacked them in a courtroom. The latest blow in an interminable war for control of the Camorra, the Naples Mafia.

Signor Salzano's duties included supervising the transport of prisoners between the city's Poggioreale prison and the court.

Bomb claim by monarchists

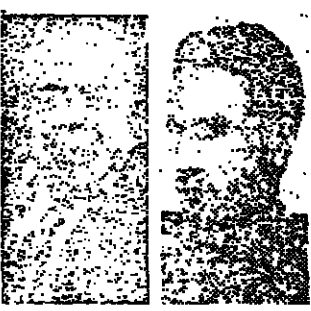
Tehran. — An Iranian monarchist group has claimed to have planted a bomb in a refuse van which went off outside the Vahd/Asr barracks killing 11 people and injuring 11 on Monday. "We planted the bomb," a telephone caller told the Agency France-Presse bureau in Tehran speaking for the Pars Monarchist Group.

Monday was the anniversary of the accession to the throne of Reza Khan, father of the last Shah.

Israeli show called off

New York. — The Metropolitan Museum of Art has called off a planned Israeli archaeological exhibition, because many of the pieces come from "disputed territories," Mr Philip de Montebello, the curator, said. Most of the pieces chosen by him came from the old Rockefeller Museum on the occupied West Bank. It would be taking a "de facto stand" by showing this material as "Israeli heritage of the state of Israel," Mr de Montebello added.

Gaddafi tries to end rift



Bourguiba Gaddafi

Tunis. — Colonel Gaddafi, the Libyan leader, arrived in Tunisia to try to normalize bilateral relations since an abortive merger attempt between the two countries in 1974.

The merger failed after President Habib Bourguiba of Tunisia reneged on the agreement shortly after signing it, stating that he had been misled. The two leaders will be meeting for the first time in eight years.

High turnout in Greenland poll

Copenhagen. — Early returns showed an exceptionally high turnout in Greenland's referendum on continued membership of the EEC. A narrow majority is expected to lead to the territory's withdrawal from the Community in 1984 (Christopher Follett writes).

Greenlanders, who have home rule under the Danish crown, want closer ties with other North American Eskimo communities and resent the jurisdiction of European bureaucracy over — in particular — their offshore fishing zones. This is despite the fact that Greenland has prospered greatly within the EEC, receiving 645m Kroner (£43m) in EEC aid since joining in 1973.

CORRECTION

The report from New York yesterday on lung cancer should have said that cigar and pipe smoking were causal, not casual, factors in cancer deaths.

Carrington plea for patience on EEC budget

From Ian Murray, Brussels, Feb 23

"Patience, tenacity and tolerance" are the essential qualities required in European statesmen in trying to settle the vexed question of Britain's budget contribution to the EEC, Lord Carrington, the Foreign Secretary, said tonight.

Speaking in Hamburg on the state of the Community, he showed that Britain had not budged from its argument that more money had to be available for policies other than agriculture.

In talks earlier in Brussels with the other EEC foreign ministers, however, he found that opposition to the British standpoint was still very strong. It was agreed that a full day should be set aside at the next Foreign Council on March 23 to discuss the issue and that a report should be jointly prepared by the European Commission and the Council on the subject. But even that decision was a grudging one.

The foreign ministers are due to report on the matter to the European summit at the end of next month, but Italy today suggested that there really was no point in even bringing the subject up before the heads of government then. That is clearly impossible, but it proves the reluctance among Britain's partners to talk about so disruptive a Community subject.

Lord Carrington hopes that it will be possible for the meeting on March 23 to discuss "illustrative figures" on how much money is involved so that the argument can be brought out into the open. He suggested that the whole matter could even be settled then, although his speech in Hamburg showed that he really did not envisage such a quick solution.

The report for study at the next meeting will be prepared by Mr Gaston Thorn, the President of the European Commission, and by Mr Leo Tindemans, the Belgian

Foreign Minister, who is the current president of the Council.

Mr Tindemans said after today's meeting that he was neither optimistic nor pessimistic about being able to find a solution, although he hoped agreement might be possible at the next Council. "The will is present to avoid a major crisis in the Community," he said.

In an article published in the *Hamburger Abendblatt* to coincide with his visit there, Lord Carrington hinted that finding a solution would not be easy for Britain any more than for other countries. "It is bound to be a difficult and painful process before interests are reconciled and solutions found," he wrote.

In both the article and the speech he emphasized that West Germany was in the same difficulties as Britain in fighting for a fair budget contribution, making it obvious that support from Bonn is seen as a vital factor in obtaining the kind of concessions which Britain wants. Lord Carrington reacted tersely to reports that Mr Alexander Haig, the United States secretary of state, had called him a "duplicitous bastard" (AP reports). It was Lord Carrington's first direct reaction to remarks Mr Haig was reported to have made to staff members during a freewheeling private discussion last October.

"I'm only thankful that I do not have people like that around me who tell tales, or whatever it was," Lord Carrington told reporters.

He declined to elaborate, beyond saying he was talking about Mr Haig's staff, the apparent source of the leak.

According to the report, Mr Haig made the remark during a discussion of British policy towards Israel and Arab countries. Spokesmen for both officials have asserted that Lord Carrington and Mr Haig have an excellent relationship.

Uganda violence

Knowledge of death at the point of a gun

In this report on Uganda, Bernard Debusmann, a Reuters correspondent recently in Kampala, explains the roots of violence in the country.

The attack by guerrillas on a Kampala army barracks is the latest incident in a city where many forms of violence are commonplace.

"The moral fabric of our society has been torn apart," Mr Patrice Maseko Kuyuni, Uganda's Minister of Rehabilitation, said in a recent interview. "The Amin years and the war changed mental attitudes, made people callous."

"Take someone who is 16 years old now. He hardly knew death and he knew guns, and we have lots of guns in this country."

The climate of insecurity is only one of the problems the Government has to solve to return Uganda to its former prosperity. According to government figures, Uganda has more university graduates than Kenya and Tanzania put together. But many fled the rule of the gun and live abroad.

The picture is not all bleak. Western economists say that the Government's economic measures of last year have begun to take hold. A recovery package, drawn up in consultation with advisers from the International Monetary Fund last year, "floated" the Ugandan shilling, sharply raised producer prices for key commodities (the price for coffee was quadrupled), and lifted price controls.

The Government expects Uganda to be self-sufficient in food, as it was until 1971, by the middle of the year.

In a gesture of confidence, West Germany and Britain wiped out Uganda's debts. The EEC increased its aid, and the IMF provided \$179m (about £90m) to speed the country's recovery.

Meanwhile, the government of Uganda, a country which has been a killing-ground for the past decade, is trying to make a disciplined army out of the gunmen in uniform who helped to overthrow General Idi Amin in 1979.

Kampala residents say that, compared with a few months ago, there are few soldiers in the streets. Road-blocks are manned by police or a paramilitary unit called the Special Force.

This unit, now about 600 strong, is being trained by a three-man team from Falcon Star, a private British company composed of former members of the British armed forces.

Help in training the regular Army has come from Sudan, Tanzania and Kenya, according to Mr Peter Oti, Minister of State for Defence. The United States has offered eight places for officer training, which have been accepted.

Amin's murderous eight-year reign was ended by a 45,000-strong invasion force from Tanzania backed by a motley band of armed Ugandan exiles who had little common but scant military experience and the resolve to get rid of Amin.

This Army is now estimated at about 10,000 and has been blamed for much of the violence which has continued to rack Uganda since Amin lost power.

"We are trying to put into shape a young Army," said Mr Oti in an interview. "It is an Army which has to be converted from a liberation army into a proper professional army."

It is an uphill task, diplomats here say, because the armed forces now have a bad image. According to opponents of President Obote's Government, the Army and a ragged militia of about 5,000 have been responsible for a long list of brutalities, or even surpassing, those committed by Idi Amin's henchmen.

"Since the Government came to power (in December 1980), thousands of Ugandans have been arrested and subjected to torture," Mr Paul Semogerere, leader of the opposition Democratic Party said.

Yet, judging from the accounts of Ugandans and foreign diplomats, the situation in Uganda has been slowly improving, if only in terms of bad things happening less frequently than they used to.



Street terror: A man shouting for help as another lies maimed on the ground and (below) the pall of smoke

Car bombs kill 12 in Beirut

From Robert Fisk, Beirut, Feb 23

By Beirut standards, it was a fairly routine bloodbath. The car bombers had judiciously chosen the most crowded street market in West Beirut and left their cargoes — two Peugeot saloons crammed with explosives — in a road jammed with traffic.

Raouche was once a fashionable cornice above the Mediterranean; but today it is a rundown, shabby highway of stalls, hucksters and lemonade stands, so the victims came from the poor of Lebanon's capital.

The death toll had reached only 12 by tonight, which is a modest casualty figure for Beirut's bombers. When the Iraqi Embassy blew up last December, 61 people were killed.

But today's little assault incinerated half a dozen stall holders and their customers and blasted tons of glass on to shoppers and passing motorists. The shock waves of the explosion could be felt a gentle pressure on the chest — almost two miles away and there was no mistaking the coil of black smoke that drifted up over the sea.

For hours afterwards, blood lay splashed along a hundred yards of pavement and 16 charred cars lay smouldering beside the road.

The second bomb exploded 10 minutes after the first, when ambulance crews were already trying to save the wounded, and within an hour Beirut's telephone terrorists were in action.

The Front for the Liberation of Lebanon from Foreigners, which claimed responsibility for most of the bombings in the country in recent months, insisted that it had planted the car bombs. Then a hitherto unheard of organization of equally doubtful provenance, The Holy Struggle Movement, said that it was to blame.

No motives were claimed and none advanced, although the political effect of the bombs was the same as always, another fractional lessening of public confidence in the authorities.

Atlanta murder trial man denies dumping body

From Neil Sutherland, Atlanta, Feb 23

Wayne Williams, who is accused of two of a number of murders committed here, denied throwing anything — let alone a body — off a bridge over the Chattahoochee River. The 23-year-old music producer seemed calm and confident today as he defended himself against allegations that he committed the two murders and had links with 10 other killings.

He told the packed courtroom: "I didn't throw anything off that bridge."

Mr Williams, who is slightly built, said he was not big enough to have lifted a dead body. "I haven't ever tried to lift 140 lb. I doubt if I could."

He said he was in the area about 2 am on May 22 when police on watch claim they heard a splash, such as a body falling into the water. He said he was there because he was trying to find the home of a woman he was supposed to meet for a musical audition.

"I wanted to find it when I wasn't caught up in rush-

hour traffic." When he was unable to find the address he started for home, but was stopped by police some distance from the bridge.

Mr Williams said he drove over the bridge without stopping, but stopped to use a telephone after he had crossed it.

When police stopped him and said they knew he had thrown a body into the river, Mr Williams said he replied: "You must be crazy."

He denied that he was a "media freak" who delighted in the publicity that surrounded his arrest and even gave a press conference. Speaking of his feelings about reporters who surrounded his home at the time of the arrest, he said: "As far as I was concerned, they could all go and jump in the river."

He said he spoke to the press to try to put his side of the story and in reaction to constant police surveillance and trailing, which was "just ridiculous".

BRITON IN COMPUTER BAN CASE

From Our Own Correspondent, New York, Feb 23

An Englishman has been indicted on 30 counts of selling restricted high technology equipment to Poland, Romania and Bulgaria.

Brian Moller-Butcher, owner of MES Equipment Inc. in Boston, denied the allegations before a district court there.

The charges are the first of their kind since October when President Reagan ordered that no American high technology should be sold to the Soviet bloc.

Mr Ed Kierich, a spokesman for the United States Customs Service in Washington, said today that the enforcement operation, known as Exodus, involved teams of customs agents, inspectors, patrol officers, import specialists and accountants in 10 cities.

The federal indictment against the men says they exported equipment that was "controlled for national security reasons".

Black activist's son is murdered in Harlem

From Christopher Thomas, New York, Feb 23

Another son of Mr Roy Innis, the black civil rights activist, has been murdered. He was shot twice in the chest in Harlem after an apparent robbery on Saturday.

His absence from home since Saturday had not been regarded as unusual by his family. Mr Wendell Garnett, a senior official of the congress, said: "Alexander was a grown man who was pretty much on his own."

Alexander had been working as a driver for a delivery service and was a keen amateur boxer with hopes of becoming a professional. He had worked with his father's organization and in the 1970s headed a "patrol" which helped the elderly and fought crime.

His father, who has headed the congress since 1968, is frequently criticised for his domination of the organization. He has five surviving sons and two daughters. Last year he faced charges of having with other executives of the organization, misappropriated \$500,000 (£250,000) of the group's funds in 1976-77.

unconfirmed report that Alexander was involved in a dispute with three people, one of whom shot him.

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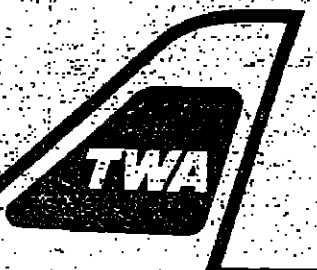
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Mrs Mary Brockett is a beneficiary of the battle to beat the housing crisis in East Glasgow, the largest area of multiple deprivation in Europe. She looks out of the window of her new one-bedroomed flat across the street to the "dear old dump with paper-thin walls" where she and her husband lived for 20 years. The new flat has been provided by the GEAR project which in six years has coordinated £120m in housing expenditure. The most important improvement is that she now has a lift "when the block was first done up it was a bit up-market, but it's gone down recently and the lift is broken."

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The Glasgow housing estates are notoriously the worst in Britain. But there are similar examples in Glasgow, Liverpool and Manchester, as well as in new towns such as Coventry and Corby—places where even the most persua-

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Housing Tenure %			
	Owner occupied	Council rented	Private rented and housing association rented
MANCHESTER	36	47	17
GLASGOW	25	59	15
COVENTRY	65	22	11
SWANSEA	61	29	10

* Glasgow figures for 1980; last column includes Scottish Special Housing Association
Source: Census of Population, 1981; Glasgow district council

Next week: Coventry race

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Helen Gurley Brown

power, responsibility, work, money.

There are several things which trouble her about a woman's world — the fact that women still don't get equal pay for equal work, and the problem of motherhood and a career. No one could give up his work for his family life. "We did predate the women's liberation movement, but it's wonderful — I think it's working good!"

She points out that she doesn't attend college because she was never considered beautiful or especially intelligent, her family was poor and she wrote an extraordinarily successful book and is the Editor of a magazine that has over a million copies. "I still feel the same excitement as I did when we began. I used to love advertising anything you think or feel — and anything which makes you successful in your personal life can be translated into business energy, your intuition, your sympathy. In editing, you also have to use your judgment, and I practically would work without being paid. I enjoy it so much."

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The Meisters
Convent Garden
The Royal Opera production of Wagner's *Die Meistersinger* was not the first time that the opera had been performed in the United Kingdom, but it was the first time that it had been performed in the United Kingdom by a company of German singers. The production was directed by Hans Knipprer and the music was conducted by Hans Knipprer. The production was a success and the singers were well received.

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ICS/Davies
Festival Hall
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THE ARTS

Opera

Wagner's own sort of midsummer magic

Die Meistersinger

Covent Garden

The Royal Opera's most recent production of Wagner's *Die Meistersinger von Nürnberg* dates from 1969. It was not very distinguished to look at, still less so at its only revival two years later, since when it has remained under wraps. Now it has taken on a new lease of life, thanks to an interesting, skilfully chosen cast, virtually all new, to a newly rethought production by Hans Hartleb using Barry Kay's existing sets, and to Sir Colin Davis's characteristically enthusiastic and penetrating musical interpretation, the first time he has conducted it. Do not expect perfection, but already on Monday night Wagner's midsummer magic was working potently.

Davis launched the overture warmly, lyrically and grandly. Occasionally, here and later, some dislocation of ensemble momentarily blurred the clean textures; generally we were drawn to admire the vital lift, even the bounce, of Davis's music, and the third verse of Beckmesser's serenade, and the popular revelry before the song-contest by the Paganini. More important, Davis maintained the music's tension so that each act could be felt as a whole, not just as set pieces with connecting passages. Barry Kay's sets look respectable, and Hartleb finds them dramatically serviceable too. It is inconvenient that in church Eva sits with her back to her suitor Stolzing; their future ogling during the hymn has to become something less clandestine, and I was not surprised that some of the congregation eyed the bold

stranger askance as they left St Katharine's Church.

The chief merits of Hartleb's production are firm, credible characterization of all the principal roles, and neat, lucid presentation of the major set-pieces. Each of the 12 Meistersingers is a personality, particularly Francis Egerton's dynamic mini-Vogelgesang, John Dobson's ancient Zorn, bespectacled and snowy-bearded, and Barry More's pop-in-jay Kothner ("Zu einer Freieung" needs more tonal substance than he gave it, though the later "Koloratur" was nicely voiced, as is proper for the proud clerk of such a guild).

Gwynne Howell's Pogner gave vocal and musical pleasure all the evening, his tiny monologue at the beginning of the second act as much as his big formal Address about his plans for the Feast of St John. It was a pleasure to see quite a young Pogner, especially since Howell is regularly cast in grandfather parts, and has to disguise his handsome young bass. Again I admired his vivid, fluent German.

Geraint Evans has been our regular and masterly Beckmesser for more than 20 years. In the Covent Garden revival his portrayal was moving, perilously towards burlesque. This time it has recovered credibility and something approaching likability. As referee of his rival's entrance examination, this Beckmesser is dangerous, not absurd; his lucidatory mime in Sachs's workshop is absurd, but painfully realistic.

He is a gruesomely unprepossessing suitor for Eva (unlike Hermann Prey at Bayreuth), but so intent on his serenade beneath her window that his enthusiasm is



Lucia Popp's enchanting Eva, with Reiner Goldberg (left) and Gwynne Howell

shared, and you are almost sorry when David beats him up. I have to report that Sir Geraint's voice is in lusty form, though he ducked his last top A in the workshop.

Hartleb brings Beckmesser back to the festive gathering at the end, despite his discomfiture, and even shows him welcomed affectionately by the circle of his fellow-guildsmen — Sir Geraint's meekness here is touching indeed. He has returned hardly observed. Just so, Hans Sachs's arrival at the Singing School goes unnoticed (a parallel?). Hans Soia is a big, burly man, and he holds the stage for the rest of the opera, an

unpretentious cobbler, but manfully the idol of his friends and neighbours.

Sotin's impersonation of Sachs is worth watching, even when he is not at the centre of the action, spying on the lovers as they plan to elope, amusingly observing the street-brawl from one side, not interfering until he can field Eva, Walter and David all with one set of actions. He is a gentle giant, as we realize from Sotin's unforced, exquisitely expressive account of his four famous monologues and the Cobbling Song — what a marvellous role for such a voice, and such an artistic tower of strength.

This Sachs is handsome too, and he is obviously dear to this Eva, Lucia Popp, a new impersonation for her, in a heavier sort of vocal music than heretofore. It suits her voice perfectly, and she shows us a rich, spoiled young girl, high-spirited and generously affectionate, tall and willowily beautiful, resonant tone and absolutely delectable. She made sure that all the music in her part sounded as enchanting as Wagner (identifying with Sachs and Walter at once) carefully planned.

Much was hoped of the new Stolzing, Reiner Goldberg from the State Opera in East Berlin. He is personable in appearance, hardly romantic: his voice is big

and secure, but not heroically alluring. Hope may be fulfilled when he is familiar with the house and the production.

We have a winsome, eager new David in Robert Tear, delightful in his lesson on composition technique, robust in his assault on Beckmesser, almost unrecognizable without his beard and with a thatch on top. He looks the part, but, as with the other Apprentices, I always wish somebody would cast real boys (not girls in drag) and immediate post-graduate young men, for real credibility: this revival does well, if not ideally, in that respect.

William Mann

Television

Wit and wisdom

After the ambitious scale of *United Kingdom*, Jim Allen's new play was a rueful Mancunian comedy of approaching male menopause and marriage that was perfect in all its proportions and length — a rare quality now that single plays have started to follow serials into listlessness and obesity. At 55 minutes *Willie's Last Stand* (BBC 1) was just right. It was very funny, too. Marriage was what you undertook to share with the girls who went on saying no until you did, after which you spent the rest of your life wishing you had not; if the Government passed a law saying that all women and children would be provided for if their menfolk abandoned them, you would see the biggest jailbreak in history.

Willie (Paul Freeman), happily married to Bernice, did not agree: on the other hand, copping the birds was like getting the sun on your face and feeling at 40 the hand of old age tighten its grip. Willie decided to turn to the sun just once more, with the golfing widow and publican's wife Lil (the stunning and wise Colette O'Neill). He failed, and virtuously, paper-hung Bernice's door was in. In the background, there was real marital brutality and tedium, the misery of unemployment and pride destroyed, together with mindless racist chatter in the Public Bar. Realism and believability throughout, plus a nice dryness and detachment to keep the comedy buoyant and sentimentality at bay.

"It was not a row of coffins," explained Isadora Duncan on an hallucination on tour in St Petersburg, "but fatigue." With all her gush about an art born of the sea, meetings of twin souls and acclaimed tourneys in America, Europe and Russia, Isadora is impossible to take entirely seriously, and yet, beyond the staggering self-consciousness and barefoot-in-the-door salesmanship, there is something heroic about her. I have not seen MacMillan's full-length ballet in the theatre, but remembering some of the less than welcoming reviews the original received, not least on this page, I should guess that Derek Bailey's film of Isadora (Granada) stretched the coherence of Gillian Freeman's scenario considerably.

Anthony Wall made a thoroughly artful film for Arena (BBC2) about the most artless of subjects, Roy Plomley and *Desert Island Discs*. Mr Plomley collaborated on the joke with quiet but liberated grace, first as a kind of benign keeper of the Heavenly Gate (perfect casting), next showing his security pass to the man at the door of the BBC, next as Nelson, and finally in Plomley's Ultimate Nightmare, as skipper of Broadcasting House itself, steering the like the Titanic, all lights ablaze, through storm-tossed seas. When not talking to Paul McCartney, Kenneth Galbraith, Frankie Howard, Trevor Brooking and The Lord Mayor of London, Plomley played the ultimate castaway behind a windbreak of Shakespeare and the Bible on a studio beach.

Michael Ratcliffe

Concerts

Purest Britten

Medici Quartet

Waterloo Room

A selection of twentieth-century British string quartets, which is what the Park Lane Group are offering in the series of four concerts that opened on Monday, is not at all the arid prospect it might first appear. For, after a century and a half of more or less permanent residence in Vienna, the music of the string quartet has lately found her dwelling further afield, and most of the great quartets of the last 50 years, when they have not been written by Shostakovich, have come from composers in English-speaking countries: Schoenberg, Carter and Babbitt in the United States, and here Britten, Tippett, Bridge and many others.

It was Britten's third quartet that completed and crowned this interesting, certainly, overshadowing everything else. Nor could it have been otherwise. The Medici were sometimes strained by the rarefaction of the music and the purity, but more than enough remained to make one wonder at the constant surprisingness achieved with minimum means: how the opening *Moderato* finds movement in rest, and rest in

movement; how the finale obliges one to regard its tune as accompaniment and its accompaniment as the main interest. Still more astonishing is the completeness with which Britten removes from his swan song all personal traits. His substance is the basic substance of the art, his matter of depth and generality that goes far beyond individual expression.

At the moment, with the piece still scintillating in my mind, I can think of nothing else from the last decade that contributes as much to musical experience — certainly not, unfortunately, the other three quartets in this programme.

Dominic Muldowney's first quartet, a student work, had the infirmity, the sketchiness that is one of his most attractive qualities, but it was a strangely unforgotten farewell to late romanticism. Elizabeth Lutyens's *Diurnal*, her Op 146, was an abstract dawn-to-dusk study of irritating Weberianism.

David Matthews's second quartet, though, was a work of generosity and passion, hampered only by a harmonic fixity at odds with its galloping ideas: perhaps the links with tonality could be loosened or made to work harder.

Paul Griffiths

RCS/Davies

Festival Hall

The specifically Catholic inspiration of *The Dream of Gerontius* might seem to limit the work's appeal. But the power of Cardinal Newman's imagery and the sincerity of Elgar's music have given it a universal and lasting popularity. Perhaps it is for this reason that its impact in performance depends more than ever on the integrity of the central character, Gerontius.

Kenneth Collins had some fine moments in his singing of the role, top notes ringing out heroically. But robustness is not everything here. Gerontius is by turns fearful, confident, vulnerable, expectant in this interpretation there was very little modulation of tone in pursuit of these varied states of mind. Where the melodic line cried out to be shaded, there was inflexibility and, in place of fervent entreaty, we had

operatic sobs. Mr Collins's cavalier wit with the text never boded well; Newman's poetry may not be everybody's taste but that is no reason to rewrite it. Most of all, I missed a sense of wonderment in this Gerontius, a sense of discovery.

Fortunately those qualities were present in abundance in the other two solo parts and in Meredith Davies's masterly handling of the score. Mr Davies's pace was measured, his ear for detail acute. Every bar throbbed with psychic energy.

Alfreda Hodgson as the Angel and Brian Rayner Cook in the two bass roles impressed their own stamp on the performance, with lovingly phrased, intelligently projected lines. The vigorous singing of the Royal Choral Society lacked nothing in weight or grandeur, but some passages left them cruelly exposed. In sum, a noble *Gerontius* sadly undermined by its central character.

Barry Millington

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Theatre

Sisters

Questors

No movie is so sad as life, says one of the women in Michael Tremblay's *Sisters* "movies don't last a lifetime." From time to time M. Tremblay's characters appear in a spotlight to speak their innermost thoughts or to exchange private conversations remote from the bustle of a party that continues around them. All the characters are women, and the party is more Montreal's modern equivalent of a barn-raising, a gathering together of neighbours who have come to glue in the one million trading stamps received by one of the women as a prize in a competition.

The play dates from 1968, and the dated ring of truth suggests that many of its elements would go back further in memory. The uniformity of Roman Catholic belief, the tendency towards group prayer with a radio broadcast of the "Hail Marys" and the chorused antipathy to premarital sex, are all frozen in a stylized, benevolently satirical fashion.

M. Tremblay sympathetically engages with the problems of his women, none of whom is free to determine her own life. They are not all dependent on men, although marriage has forced one woman to endure the twice-daily sexual demands of her

husband, another has worked in a dubious club until she reached the age of 30, only to be tossed aside by her lover, and a teenage girl is secretly pregnant, at least for a while.

In all the swirling currents of *Sisters*, with the Quebec French translated into Canadian English by John Van Buren and Bill Glasco, there is a steady, alluring revelation of deceit. The moral judgments handed out at irregular intervals by most of the motherly characters are contrasted against their increasing thefts of the trading stamps they are passing in books for their supposed friend.

It is a world without hope, but not without humour, and Spencer Butler's production has the benefit of superb casting, with a company delivering amateur performances that have all the passion and wit of fine professional ensemble playing. His design is another matter, a terrifying raked platform which only once has the effect of turning the company into a chorus of singing housewives and spinsters.

As a British premiere, it could hardly make a better case for the play, with its monologues, some apt music provided by Michael Carver, sharp dialogue, argument and insight, and the dynamic tension of intelligent performance.

Ned Chaillet

Interview: Roland Rees

Coming in from the fringe

After ten years Foco Novo is no longer on the fringe. It has become an established theatre touring company, lacking perhaps the subversive edge of its early days but still turning on the socialism twice a year. Its history — and that of Roland Rees, its artistic director — represents a case study of changing theatrical fashion.

The tenth birthday is to be celebrated by Foco's production of Brecht's *Edward II* at the Round House, starting this evening. The production has been picking up good notices in a press tour to Mold, Croydon and Basildon, all theatres on the "medium scale" circuit into which the Arts Council has slotted the company. Rees, aged 41, and a graduate of the University of Wales, fits neatly into his own character study of the typical late-Sixties fringe community membership. To qualify it is advisable to have been born during the war, benefited from the 1944 Education Act, attended a non-Oxbridge university and helped hoist aloft the banner of socialism and art in the palmy days of 1968. Rees's baptism occurred in New York when, struck by the irrelevance of being a Welshman pursuing research into the life of the American black leader Marcus Garvey, he became involved with off-off-Broadway.

"About 70 per cent of the people in that world were just waiting for their break to get on Broadway. The other 30 per cent were there because that was where they wanted to work. I counted myself among the 30 per cent."

Back in England he worked with the Open Space and the Traverse as well as Inter-Action's Ambience, for which he discovered the black writer Mustapha



"I think I could bring something fresh to other repertoires..."

Matura. It was fringe all the time. Foco Novo was formed in 1972 to stage the play of the same name by Bernard Pomerance, who was later to become known as the author of *The Elephant Man*. Pomerance raised the money for the production and the company kept one eye on the Arts Council in the hope — though in those expansionary days it was more like the expectation — of a subsidy. The performance in a Gospel Oak garage did the trick and the revenue subsidy duly materialized. It continues to this day.

"We formed Foco Novo to produce plays with social and

political content. At that time the fringe was split down the middle. There was the documentary realist type of play which dramatized, for example, industrial disputes, and there was the purely theatrical end. I wanted to bring the two together. But the merger has not come about. Within Foco the battle between the two sides continues. There are documentaries such as *The Nine Days of Salford Gates* by John Charlick and John Heyland and classics including Büchner's *Woyzeck*.

"It was a conflict within Brecht himself, so it's appropriate we have now come back to an early Brecht for our tenth birthday. I have moved away from documentary realism myself, but the quarrel remains and it's always been reflected in our programme."

When Foco began operations the big subsidized companies stood apart. Now the Royal Shakespeare Company has its Warehouse and the Other Place and the Royal Court feels a little threatened. Everybody has now moved into the fringe market, fighting for roughly the same, smallish audience. That Foco has survived at all in this context is largely because of Rees.

"I suppose it's because I have always put my work higher than owning a house or a flat. I'm still only paid just under £5,500. I couldn't have kept this up with a mortgage. We're not fringe any more, although the theatre establishment certainly don't regard us as one of their members. The penalty is that it's assumed that I can only direct one type of play, but I think I could bring something fresh to other corners of the repertoire. Shakespeare perhaps."

Bryan Appleyard

London debuts

Beauty under cruel pressure

In Hindemith's *Viola Sonata*, Op 11 No 4, Jan Latham-Koenig was often too loud in the keyboard part; *fortissimos* were absurdly exaggerated, and it was sometimes impossible to hear Garth Knox, whose debut recital it was. Henze's *Viola Sonata* had been given its UK premiere by these players as part of a 1980 concert by the Latham-Koenig Ensemble. That performance was superior, although this one was an improvement on the Hindemith if only because the pianist had fewer opportunities for loud playing, though it was still difficult to hear Mr Knox at some points.

Peter Maxwell Davies's *The Door of the Sun* for unac-

companied viola was frankly a relief, and showed, as had only been glimpsed until now, that Mr Knox has a beautiful, resonant tone and a large, flexible technique. In Shostakovich's long, gloomy *Sonata*, Op 147, the last work he completed, the pianist was generally more restrained. Mr Knox played with superb vividness and immediacy, and the protracted finale's insistent allusions to Beethoven's *Moonlight Sonata* were handled with tact.

Any music by Debussy is of interest, but "Musique" which was given its British premiere by Rosemary Landry, is a decidedly pale trifle. A setting of Paul Bourget dating from 1883, it is weaker

than his other songs on texts by this poet, "Romance" and "Paysage sentimental", that belong to the same year. The former, which includes faint and distant anticipations of Méliandre's phrases, was also performed, and both items were sung in an aptly passive manner.

In fact the whole Debussy group was quite good, for, although Miss Landry's soprano voice is without much colour, it suited the wan, moonstruck landscapes evoked — particularly, of course, by Mallarmé's "Apparition". Settings of Ronsard by Laguerney were undistinctive but again lay conveniently for her voice and she produced a beautiful sound.

Further Ronsard songs by Roussel, for voice and flute, required a more positive manner, yet were fairly successful; and Robert Bick proved himself a suave flautist. Miss Landry is best in quiet, private, small-scale music where the voice is not under much pressure, and Poulenc's charmingly whimsical *Cinq Poèmes de Max Jacob* were more firmly characterized than an earlier Berlioz group that was beyond her grasp. At the piano Dalton Baldwin was not altogether his usual immaculate self.

Max Harrison

NT to visit Mexico

Mexico's tenth Cervantes Festival of theatre, music and dance opens on April 23. It is reckoned to have the scope and size of the Edinburgh Festival and this year performances will take place not only in Guanajuato, where the festival started, but elsewhere in the country, including Mexico City itself.

Britain will be represented by the National Theatre. Other visitors include Leonard Bernstein and the Israel Philharmonic Orchestra, the Boston Ballet with Rudolf Nureyev, and the Rustaveli

Theatre of Russia. There will be recitals by Plácido Domingo, Claudio Arrau and Vladimir Ashkenazy.

The International Belvedere competition for opera singers, organised by the Wiener Kammeroper, will be held in Vienna from July 17 to 22. The jury will be composed of a number of opera house and festival directors, including Sir John Tooley, Brian Dickie and John Drummond from Britain. The age limit for competitors is 35.

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The new Oxford snobbery by Harry Judge

All this represents the greatest social change that the university has accomplished in any comparable period throughout the 700 years of its existence.

Nor is it possible to maintain (although many ungenerously try) that all this has been achieved only by a dropping of standards. On the contrary, if we take as a rough but fair measure, the number of new undergraduates achieving very good A level results (A-B-B or even better) then the picture is cheerful. In 1980, 73.5 per cent achieved this standard — a quarter more than 10 years ago and three times as many when compared with the group entering all British universities.

For the first time, non-public school entrants compose a majority of the new cohort. It could still be argued that this is still not good enough. Those who think it a thoroughly bad thing should declare themselves openly. They appear to believe that we should have no internationally pre-eminent universities, that hierarchies and excellence are in principle wrong.

I think they are mistaken. But, even if they were right, the system would not last for this century.

Meanwhile, if the cryopragmatists have their way, many able young people from simpler homes will be automatically diverted from Oxford, their life chances will be significantly reduced and society as well as the individuals concerned will suffer.

The second argument, which I would be disposed to accept, is that "half is not good enough". After all, the aggressors cry, only a percentage of the population at the age of 13 is in private schools, so why should they collect half the Oxford places? That 5 per cent is, however, a misleading figure, and more relevant would be the proportion going on to level 3. Here, the proportion is over 20 per cent and this is comfortably close to the share claimed by public school pupils in the entry to all universities. The critics convincingly argue that more comprehensive schools could produce the same proportion of pupils.

How can that be done? Oxford itself can and will make further adjustments. In one way or another, the proportion securing places before A levels must increase. But, above all, what Oxford needs to see is many, many more good applications coming from comprehensive schools. They will be welcome, and if they do not apply, nobody can express annoyance if they are not accepted.

This is why the new prejudice is so pernicious. There are, I fear, only too many administrators, heads and teachers who openly and subtly discourage candidates: "Oxford is not for you." Sometimes their motives are dignified by principle, even if mistaken. Often, just below the surface is a complex of inverted snobbery: "I didn't get in, so why should you?"

This is where the prejudices now are, and these are the obstacles to further progress. Parents and pupils should know this, make up their own minds, and give the colleges a chance to show them just who their real enemies are.

The author is Director of the University of Oxford Press, and Tutor for Admissions at Brasenose College. He was previously the head of Barnbury comprehensive school.

In this first of a series of essays extracted from his forthcoming second volume of memoirs, Henry Kissinger discusses the true nature of the policy of detente

How to deal with Moscow in a nuclear age



All eyes on the man in the middle: the Soviet leader Leonid Brezhnev and President Richard Nixon with Dr Kissinger, then Secretary of State (back to camera) at San Clemente in June, 1973

Richard Nixon came into office with the well-deserved reputation of a lifetime of anti-communism. He despised liberal intellectuals who blamed the Cold War on the United States and who seemed to believe the Soviet system might be transformed through the strenuous exercise of goodwill. Nixon profoundly distrusted Soviet motives; he was a firm believer in negotiations from positions of strength; he was, in short, the classic Cold Warrior.

Yet after four tumultuous years in office, it was this man, so unlike the conventional intellectual's notion of a peace-maker, who paradoxically was negotiating with the Soviets on the broadest agenda of East-West relations in 25 years. And not long afterwards he found himself accused of what had been a staple of his own early campaign rhetoric: of being "soft on communism."

The paradox was more apparent than real. We did not consider a relaxation of tensions a concession to the Soviets. We had our own reasons for it. We were not abandoning the ideological struggle, but simply trying to bring order to it — to narrow the margin for manoeuvre. The United States and the Soviet Union are ideological rivals. Detente cannot change that. The nuclear age compels us to coexist. Rhetorical crusades cannot change that, either.

Our age must learn the lessons of the Second World War, brought about when the democracies failed to understand the designs of a totalitarian aggressor, sought foolishly to appease him, and permitted him to achieve a military superiority. This must never happen again, whatever the burdens of an adequate defence. But we must remember as well the lesson of the First World War, when Europe, despite the existence of a military balance, drifted into a war no one wanted and a catastrophe that no one could have imagined. Military planning drove decisions; bluster and posturing drove diplomacy.

An American President thus has a dual responsibility: to resist Soviet expansionism and to be must be conscious of the profound risks of global confrontation. His policy must embrace both deterrence and coexistence, both containment and coexistence, both deterrence and coexistence. The desire for peace turns into an avoidance of conflict at all costs, if the just disparage power and seek refuge in their moral purity, the world's fear of war becomes a weapon of blackmail by the strong; peaceful nations, large or small, will be at the mercy of the most ruthless. Yet if we pursue the ideological conflict divorced from strategy, if confrontation turns into an end in itself, we will lose the cohesion of our alliances and ultimately the confidence of our people.

Detente did not prevent resistance to Soviet expansion; on the contrary, it fostered the only possible psychological framework for such resistance. Nixon knew where to draw the line against Soviet adventure whether it occurred directly or through proxy, as in Cienfuegos, Jordan, along the Suez Canal, and during the India-Pakistan war. He drew it with cool fortitude, and all the more credibly because there was national understanding that we were not being truculent for its own sake. If the Vietnam war had taken place in the United States, it would have been a military confrontation could be sustained only if the American people

were convinced there was no other choice.

Any American President soon learns that he has a narrow margin for manoeuvre. The United States and the Soviet Union are ideological rivals. Detente cannot change that. The nuclear age compels us to coexist. Rhetorical crusades cannot change that, either.

Our age must learn the lessons of the Second World War, brought about when the democracies failed to understand the designs of a totalitarian aggressor, sought foolishly to appease him, and permitted him to achieve a military superiority. This must never happen again, whatever the burdens of an adequate defence. But we must remember as well the lesson of the First World War, when Europe, despite the existence of a military balance, drifted into a war no one wanted and a catastrophe that no one could have imagined. Military planning drove decisions; bluster and posturing drove diplomacy.

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proposal for a nuclear non-aggression pact — are intended both to safeguard peace and to undermine our alliances and other associations.

Almost certainly, Brezhnev continues to defend his detente policies in Politburo debates in terms of a historic conflict with us as the main capitalist country and the ultimate advantage that will accrue to the USSR in this conflict. Brezhnev's gamble is that as these policies gather momentum and longevity, their effects will not undermine the very system from which Brezhnev draws his power and legitimacy. Our goal on the other hand is to achieve precisely such effects over the long run.

The major, long term question is whether the Soviets can hold their own block together while waiting for the West to succumb to a long period of relaxation and to the temptations of economic competition. Certainly, our chances are as good as Brezhnev's, given the history of dissent in East Europe.

In short, I rejected the proposition of our critics that the Soviet Union stands to benefit more from peace than from war. It is a counsel of despair, the opposite of what I believe to be reality. It shows an unwarranted historical pessimism, a serious lack of faith in the American people. Nixon would have no part of it. In his famous 1959 "Kitchen Debate" in Moscow he scoffed at Khrushchev's boast that he would bury us — and Nixon was right. Nothing has changed in the intervening two decades to suggest that the communist system is glaringly weaker in its ideological appeal, its political base and empire is precarious. In the 60-year history of the state, it has never managed a legitimate, regular, succession of leadership. There have in fact been only three changes of leader. Of the four General Secretaries of the Communist Party, two (Lenin and Stalin) died in office; the third (Khrushchev) was replaced in a coup; the fourth (Brezhnev) was still in office when he died in 1982.

In every communist state — it is almost an historic joke — the ultimate crisis, latent if not evident, is over the role of the Communist Party. In Poland, the party was almost swept away because it was irrelevant and impotent. And we are still only at the beginning of that process of transformation. If Moscow is prevented by a firm western policy from deflecting its internal tensions into international crises, it is likely to find only disillusionment in the boast that history is on its side. I remain convinced that a long period of peace will favour the pluralism of a democratic system — the economic vitality, genius for technological innovation, and creativity of free peoples.

I believe that a normal Nixon Presidency would have managed to attain symmetry between the twin pillars of containment and coexistence. Nixon would have been able to demonstrate to the conservatives that detente was a means to conduct the ideological contest, not a resignation from it. And he could have handled the liberal pressures by rallying a majority of moderates behind his policy of settling concrete issues. He could then have used his demonstrated commitment to peace to marshal the free peoples of the alliance behind a new approach to detente.

But early in his second term Nixon was no longer a normal President. We will never know what might have been possible had America not consumed its authority in the melancholy period. Congressional assaults on a weakened President robbed him of both the means of containment and the incentives for Soviet moderation, rendering resistance impotent and at the same time driving us toward confrontation without a strategy or the means to back it up.

In time the Soviets could not resist the opportunity presented by a weakened President and a divided America to abdicating from foreign responsibilities. By 1975 Soviet adventurism had returned, reinforced by an unprecedented panoply of modern arms.

Partly as a result of our domestic weakness and Soviet power, for many of our allies detente became what conservatives had feared: an escape from the realities of the balance of power, a substitution of atmospherics for substance.

© Henry A. Kissinger, 1982

Under Brezhnev's eyes

Dr Kissinger had talks with Mr Brezhnev in Moscow in the spring of 1973. He was worried about eavesdroppers...

My team — had the usual problem of how to communicate with one another without becoming immortalized in the KGB tape library. In a strange way we felt somewhat more secure in the Politburo hunting lodge than in our usual haunt of the State Department. We thought the KGB was likely to be somewhat less exuberant in wiring the vacation retreat of its own top leadership than in doing so to the residences specifically designed for foreign guests.

We came equipped, of course, with the so-called babblers, the cassette tape machine emitting incoherent gibberish that allegedly drowned out the sound of our voices for eavesdroppers. I do not know whether it worked and I hate to think that I may have subjected my emotional balance to that infernal noise-making machine to no avail. It was a close race between KGB technology and our sanity. In any event, my colleagues and I occasionally escaped the babblers by identifying what we considered one absolutely secure place: the balcony outside Brezhnev's study to which we repaired that Brezhnev would be so imprudent as to allow the Soviet secret police to install eavesdropping equipment in his own office.

Just prior to the summit of 1973, I analysed Brezhnev's motivations in a memorandum to Nixon, and there is a glimpse of his own attitude at the time in the way he underlined some portions (in italics here):

The Soviet postwar leaders, Brezhnev sees the US at once as rival, mortal threat, model, source of assistance and partner in physical survival. These conflicting impulses make the motivations of Brezhnev's policy toward us ambivalent. On the one hand, he no doubt wants to go down in history as the leader who brought peace and a better life to Russia. This requires conciliatory and cooperative policies toward us. Yet, he remains a convinced communist who sees politics as a struggle with an ultimate winner; he intends the Soviet Union to be that winner. His recurrent efforts to draw us into condominium-type arrangements — most notably his

the less important women's journalism has become. The only good woman writer today is Caroline Moorehead of *The Times*.

Title tattle

John Batchelor, whose *Edwardian Novelists* is published tomorrow, has a nice story about Joseph Conrad. He hated paying income tax, and when an official-looking envelope arrived he left it unopened for several weeks assuming that it was just another demand. In fact it contained the offer of a knighthood, and eventually the Prime Minister, Ramsey MacDonald, had to send a personal messenger to find out what had happened to it.

In the event it did not matter, because Conrad refused the knighthood anyway, regarding it as a plebeian kind of honour compared with the half dozen titles he had abandoned on leaving Poland.

Classical mystery

Tomorrow it will be 300 years since the assassination of the opera composer Alessandro Stradella. Italian police have still not managed to bring charges. There is no doubt in anyone's mind that Stradella was stabbed to death in Genoa on February 25, 1682, but investigations have been confused by the large number of suspects raised by his amorous lifestyle.

The first theory, propounded by the French writer, Stendhal, among others, is that he was murdered by a Venetian nobleman with whose fiancée he had

The armageddon ready-to-wear collection

A lightweight reflective suit to protect against the worst effects of nuclear, chemical or biological warfare should soon be available by mail order from Kelco Enterprises, a British firm specializing in survival and defence, is considering this as part of its new policy to cater for civilian as well as military customers.

For as little as £20 apiece families will be able to buy silvery suits which guard against potentially deadly chemicals such as hydrogen cyanide. The necessary accessories, including rubber boots, gloves and respirators, will cost a few pounds more. Dehydrated emergency food packs are also available and should you be unlucky enough to be injured during armageddon a surgical survival kit is ready for running repairs until any ambulance arrives.

For the most serious casualty, heavy gauge, opaque PVC body bags can be used to evacuate the patient to safety. In the event of death a clear plastic flap is zipped over the face so that the body can be identified easily. Wares from this reassuring catalogue were displayed in London yesterday.

Saucy!

Michael Harris, proprietor of the Ball at Aston Clinton, Buckinghamshire, has abandoned his fight with Christopher Driver, editor of the *Good Food Guide*. In 1973 Harris, whose establishment tolled consistently in the *Guide* through its first quarter century, was one of a brigade of top kitchen-keepers who declared in a letter to *The Times* that they were fed up with Driver's "prevailing tone of acid disparagement and snide innuendo." Thereafter Harris refused to send

Women first

Olga Franklin, journalistic trapper and Sovietologist, will be lecturing in Tunbridge Wells tonight on women in Fleet Street. Their history there is longer and more honourable than even our latest column correspondent, Jill Tweedie of *The Guardian*, might claim.

Franklin says one could go back to Virginia Woolf on *The Times Literary Supplement*, and recall Rebecca West, Winifred Holby, Storm Jameson and Stella Gibbons. Her own account, though, will begin with Eileen Ascroft launching in 1935 the first agony column in the *Daily Mirror*.

A colourful episode will be her description of the first all-woman assignment to the ruins of Berlin in 1946, when Fleet Street's women horrified the officers of the British Army. Franklin's task was to seek out Frau Goering and ask her: "Will Hermann hang?" Franklin says now: "The more this feminism thing has emerged,

Genese nobility after seducing one of their women.

Genese nobility after seducing one of their women. While the carabinieri scratches, no fewer than four composers have written operas about their colleague's sad fate.

A "free radio" station in Paris has invited listeners with the sounds of a couple supposedly making love on the studio floor, while a disc jockey supplies a running commentary.

Pass the word

It is plainly too much to ask people who are good with words to be capable of ordering their affairs properly as well. Jeremy Geelan, who edits *Logophile*, a quarterly devoted to words, has been returning the journal's mail to senders, marked "gone away".

The Post Office was doing that for the perfectly good reason that Geelan had failed to renew a forwarding arrangement. The result is that while he has collected from contributors some lovely lists of favourite words (e.g. pellicled, aquiline, lily, silken, brandy, paragon, alembic, ocean, notary, perish — B. Levin), he has received no replies at all to a modest advertising campaign intended to attract subscribers who would appreciate them.

We wordy types must stick together, so let me tell you that *Logophile* has changed, but once more operational, address is 47-49, Caledonian Road, London N1 3BU.

Northern epic

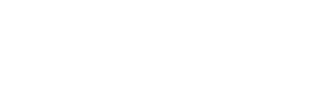
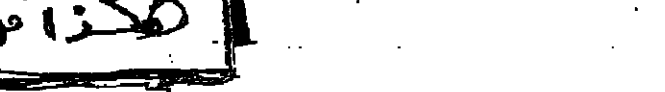
That old rhapsode is at it again. At 6.24 am tomorrow, soon after a rosy-fingered dawn has poked a chilled finger out of the North Sea, a thin, spectacled,

THE TIMES DIARY

At 70, which he has become, George Mikes, the Anglo-Hungarian humorist, is to launch a new career as a playwright. Theatre *Clwyd* in Mold asked for a play and, thanks in part to a Welsh Arts

See, here. Shocking. I. Scrooge McDuck, am I with this contrast to Lady Grabbi-Stock's go-around, d'you hear?

There is no escape for the Labour Party, its lame claim that it was not intruding Walt Disney copyright because its summer road-show on the alternative economic strategy featured as Tory spokesman Scrooge McDuck, not Donald Duck, has predictably backfired. As my illustration shows, Scrooge McDuck is a well-established Disney copyright character too. There is no alternative. Labour's economic strategy programme must be scrapped.





P.O. Box 7, 200 Gray's Inn Road, London, WC1X 8EZ. Telephone: 01-837 1234

PORTRAIT OF A PARTY MAN

There are two ways of looking at Mr. Mieczyslaw Rakowski, the Polish Deputy Premier, whose remarkable interview with Oriana Fallaci we published on Monday and Tuesday. On the one hand he is a member of a ruling party which is generally unpopular, which has no electoral legitimacy and which, by last December, had become, as he himself frankly admits "bankrupt, intellectually and politically". He has remained in his job to serve a military regime which has detained thousands of people, suspended trade union activity and other civil rights. And he speaks as a true Marxist when he utters the chilling remark that "in politics the individual does not count". Seen in this light his interview is little more than an attempt to win western approval for military rule.

On the other hand, Mr. Rakowski has been known for twenty-five years as a restless critic of the system in which he has made his career. He has been deeply disliked by orthodox members of the apparatus and widely respected as editor of the weekly paper *Polityka*. Although he has survived through many changes, which means that he has made compromises, his credentials as a proponent of the need to liberalise the Communist system are good. He rose during the reformist period of 1956 and was then disappointed. He attached himself to Mr. Gierk, who came to power in 1970 with reformism on his lips, and was again disappointed. He saw the formation of Solidarity as offering a new chance to introduce checks and balances into the system and build links between the party and the people. When he

was made government negotiator with Solidarity he seized the opportunity and seemed initially to be negotiating in good faith, but then accused Solidarity of unrealistic demands. Yet another disappointment.

Seen from this point of view Mr. Rakowski is in the position of any politician in any party or government of which he is critical. How far does he go along with it in the hope of influencing it from within? At what point does compromise become a betrayal of principles? The answer is never easy but in eastern Europe there is a factor that is missing in the west. There is no other party to go to, and the rule of that one party is regarded by Moscow as a vital interest. Therefore, unless one believes that Soviet policy can be changed, the system is hopeless. It may often be morally right but defeat is inevitable.

Westerners with no experience of such limitations should therefore hesitate before passing quick judgments. But this leaves two big questions unanswered. First, what is Mr. Rakowski telling the truth? Here again, a certain humility is required. We simply do not know. A very logical case can be made for the argument that the regime decided long before December to block Solidarity's demands in order to provoke the radicals and provide an excuse for military intervention. But the failure of the regime to come to terms with Solidarity can just as well be attributed to indecision and incompetence. Mr. Rakowski is right that there were some unrealistic hotheads in

Solidarity but wrong to put so much of the blame on them, and wrong not to mention that the "general strike" called for December was to have been a very short warning strike. The rest must await more information.

The second question is whether the sort of limited reforms envisaged by Mr. Rakowski are actually possible. Every time they have been tried in Eastern Europe, they have been defeated by the Party apparatus, or the Russians, or a combination of both. Mr. Rakowski scoffs at freedom — freedom which does not put anything in hungry people's stomachs he says derisively. But it is the antique collectivist economics of the East which have made Poland an impoverished and starving debtor of the West and which leaves the Soviet Union dependent on American grain and Western technology.

The individual counts in economics all right; and politics without a belief in the essential worth of every human being, minorities of one as well as majorities of millions, is corrupting. Inevitably it becomes about power rather than about responsibility, coercion rather than consent, numbers rather than people. Christianity gave that ideal to the world. Statecraft has had to wrestle, and always will, with the balance between liberty and order. The reconciliation is imperfect and so is the realization of the ideal, but freedom has been the pulse of every civilised achievement in the West. Mr. Rakowski should ponder another question following the battery he has answered: what has its Marxist antithesis produced in the East?

IN SICKNESS AND IN WEALTH

About six million people a year visit Britain from countries with which we have no reciprocal arrangement for free medical care. Some come on purpose to seek treatment for existing conditions. They are expected to seek it privately, they bring in substantial foreign exchange earnings, and immigration officials have a duty to satisfy themselves that they can afford to pay. Others fall ill unexpectedly while they are here, and these have traditionally been treated free in hospital as NHS patients, even though they have paid nothing towards the costs of the service through their taxes, as British residents do.

This minor item of international largesse was characteristic of the spirit in which the service was founded. It was considered petty to harass visitors in a moment of misfortune, and the sums involved were small in relation to NHS spending as a whole. This amiable attitude to entitlement may seem more questionable today, when we are more aware of the inevitable gap between supply and demand in a free service paid for out of tax.

Exactly what change of practice is proposed remains less than clear. This makes comment difficult, because it is not clear that the change is worthwhile in terms of cost, and that it has no unacceptable side-effects. The old spirit of the NHS still has

enough credit in Britain for it to be said with certainty that among side-effects unacceptable to the public would be the spectacle of patients in acute need of treatment being refused it because of inability to pay, or subjected to delay while inquiries are made about status or funds. Our national circumstances may be reduced, but not to the point where we need require anybody to haggle from a stretcher at the hospital door. Equally, it is not acceptable that the process for assessing entitlement should make immigrant residents reluctant to seek medical care because of fears of inquisitions about their right to be here.

Mr. Fowler's proposals take fuller account of these difficulties than the scheme outlined by a working party last year. Visitors would become exempt from charges after a residence of one year instead of three. People coming here to work, and some visiting dependents, would be exempt from the start. It is stressed that there would be no question of refusal of treatment to patients in acute need, nor systematic discrimination by colour. A simple prescribed set of questions would be put to every patient on admission, and there is some force in the claim that this might occasionally reduce rather than increase the risk of offensive interrogation of foreign residents, and might

remind hospitals to take greater care to see that visitors do not receive free treatment when they have no ghost of a claim to it.

But as an effective money-saver, the plan does not look impressive. Without explaining how Mr. Fowler proposes to save £6m a year when the working party only predicted £5m from a much larger category. The thing is as vague as that. It is not clear what will happen if a patient blatantly lies about his status on admission. Either evasion will be temptingly easy, or else the threat of future inquiries will raise administrative costs and deter resident immigrants. The expense of reclaiming bad debts is a significant part of the costs of many foreign hospitals. Nor is there a clear medical borderline between emergencies where any humane surgeon would cut first and ask questions afterwards, and less urgent but still painful conditions carrying a risk of complications if not promptly treated. The change is likely in itself to create an atmosphere where the possibility of charging is more aggressively pursued, generating suspicion and ill-will. It is hard to look at the prediction of £6m without scepticism, but even if that saving were made in full it would be a trivial return for a petty act of inhospitality in a service whose budget is counted in thousands of millions.

Those of us who support proportional representation in one form or another do so not just to gain parity of seats to votes, but to put political power back into Parliament, where it belongs, instead of in the press. The game has served us ill for the past three decades and we want an end to it.

D. J. C. LAMING,
Trehayes,
Crabb Lane,
Aldington,
Exeter,
Devon.
February 20.

HORROR IN EAST TIMOR

When Indonesian troops invaded East Timor in December 1975 it was quite obvious that no one was going to stop them. Fretilin (the Revolutionary Front for the Independence of East Timor), which at that moment was in de facto control of the country, was certainly not strong enough. Portugal, the colonial power which had not and still has not formally renounced sovereignty, no longer had any authority on the ground or any troops capable of taking action anywhere near.

The nearest neighbouring country, Australia, had publicly all but promised Indonesia a free hand. Western powers generally, in common with the members of the Association of South-East Asian states, were anxious to keep good terms with Indonesia as a major oil-producer, a rapidly expanding market, and a regional power opposed to communism.

Not much has been heard about East Timor in this country since then, but the crime has continued to trouble consciences both in Portugal and in Australia. President Suharto officially proclaimed the incorporation of East Timor into Indonesia in 1976, and this was recognized by Australia in 1978, as well as by the ASEAN states. But Portugal continues to

claim sovereignty on the grounds that the East Timorese have not yet been able to exercise their right of self-determination, and the United Nations has consistently called for the withdrawal of Indonesian forces.

More important, it seems that all is far from well in East Timor itself. A pamphlet published yesterday by the Catholic Institute for International Relations states that Indonesian control is "still not unchallenged". It is "clear that resistance continues, and in 1981-1982 the Indonesian army was carrying out large-scale sweeps in the Lautem region, in the east of the territory". It is estimated, horrifyingly, that since the invasion more than 100,000 people have died, either directly as a result of military operations or from consequent famine and disease, out of a population of only about 670,000.

Two documents seem particularly damning for the Indonesian authorities. One is a report sent to President Suharto in June last year by the "Regional People's Representative Assembly" appointed by the Indonesians themselves. This report, while expressing undying gratitude for the incorporation of East Timor into Indonesia, suggests that that objective is being jeopardized by the

behaviour of Indonesian troops and officials which "can only be described as being the behaviour of conquerors towards a conquered people". It cites instances of murder, torture, and other forms of violence and abuse.

The other document is a letter from the leader of the Roman Catholic Church in East Timor to the Chairman of Australian Catholic Relief, dated last November, which refers to expected famine and to the killing of many Timorese people, including children and pregnant women, by Indonesian forces in the military operation of July, August and September 1981.

If this was the situation after six years it is no longer tenable to argue that the Indonesian fait accompli has to be accepted in the interests of peace and stability. Indonesia has obviously not won over the hearts and minds of the East Timorese, and her very unwillingness to allow independent observers access to the territory corroborates that. A solution based on negotiations and the free choice of the inhabitants is urgently needed and the international community particularly those countries which have close economic and military ties with Indonesia, including Britain, should make a much more serious effort to achieve one.

TV channels by satellite

From Lord Aglionby

Sir, It took over 20 years of debate before Parliament decided to authorize a fourth television channel in this country. Recent reports in your columns and elsewhere indicate that decisions are about to be taken which would, without any public debate, give the use of two new national television channels on a British direct broadcasting satellite to the BBC.

The potential importance to British industry of an early involvement in this new area of space technology is recognized as immense. The question of how the broadcast channels on such a satellite should be allocated is, however, one which I suggest, requires further public debate, together with the question of the most appropriate system of public control of programme standards.

The BBC is on record as saying that it would like to operate two satellite channels: one for a service of repeats and the other for a subscription service. The latter is a form of financing for broadcasting so far removed from the public service which would involve a degree of risk which the BBC, in its present circumstances and given its overriding responsibility to the licence-payer, would not seem best placed to take.

Moreover, even the corporation's best friends sometimes believe that the organization is quite large enough for its own good and for the interests of the public. The potential for abuse of the public service by self-financing public-service broadcasting ought certainly to be explored and debated.

Decisions taken now will affect the shape of broadcasting well into the nineties, when viewers will have considerably wider choice not only of broadcast services but also cable services and video cassettes and discs. These decisions ought not to be taken lightly or without a great deal of discussion.

Yours faithfully,
AYLESTONE,
House of Lords,
February 22.

Voting intentions

From Dr D. J. C. Laming

Sir, It is a matter of surprise that so experienced an observer as Geoffrey Smith, in an otherwise perceptive article on the subject (February 20), can misjudge the nature of the electorate's wishes. When he says "the electorate has favoured single-party administrations with secure parliamentary majorities" he treats us, the poor electors, to a rather odd piece of collective intelligence that decides to elect a specific type of administration. Does he not realize that we do not go into a huddle before polling day, but that the outcome of a general election is the result of our individual choices, taken in secret?

Most electors, when they vote, think they are choosing an MP and a government; and it is the balance of the millions of such choices that goes towards deciding what our government shall be. Ten million vote one way, nine million another, five million a third — where in all that is the electorate's choice of a single strong government? Interpreted literally, such a vote means if that is the more nor less; though no voter has voted for it, or indeed is able to. It is the electoral system that hitherto distorted the voters' choices into "strong" single-party government.

Those of us who support proportional representation in one form or another do so not just to gain parity of seats to votes, but to put political power back into Parliament, where it belongs, instead of in the press. The game has served us ill for the past three decades and we want an end to it.

D. J. C. LAMING,
Trehayes,
Crabb Lane,
Aldington,
Exeter,
Devon.
February 20.

The captains' table

From Mr T. C. F. Prittie

Sir, I learn from your columns today (February 17) that Norman Featherstone (Zimbabwe/Rhodesia) will not be captaining the Glamorgan cricket team this season and his place may be taken by Javed Miandad (Pakistan).

Worcestershire are being captained by Turner (New Zealand), Nottinghamshire by Rice (South Africa), Gloucestershire (up to last season) by Procter (Zimbabwe/Rhodesia), Kent by Asif (Pakistan), Leicestershire by Davison (Zimbabwe/Rhodesia), Lancashire by Lloyd (West Indies). I suggest that this is a ludicrous situation, with nearly half the English first-class counties captained by men who are not qualified to play for England.

Cricketers from overseas add lustre to the first-class cricket field in this country, but it should be axiomatic that only cricketers qualified to play for England should captain county sides and be given the experience needed to make them candidates to captain England. This is neither racism nor chauvinism, but strict common sense.

Yours faithfully,
TERENCE PRITTEE,
9 Blenheim Road, W8.
February 17.

Mrs Shirley Williams is the SDP MP for Crosby, not Warrington, as stated yesterday.

Preserving single Community market

From Mr Richard Cottrell, MEP for Bristol (Conservative)

Sir, The European Community is alarmed at every level at the threat to its survival posed by the retreat into nationalism and protectionism among the member states. The proposed "walling off" of the French internal market is notable in this respect. So is the last-ditch battle being fought by car manufacturers throughout the Community to prevent the principles of free trade enshrined in the Treaty of Rome operating effectively, to the detriment of the British consumer.

But, as a nation, we are hardly free of guilt in this increasingly serious situation. We are also victims of our own brand of double-think. Not so very long ago we had a glorious fight to sell British lamb to the French housewife. It was a campaign that I and my colleagues in the European Parliament supported wholeheartedly. Yet if we equally defend — and some of us do — the right of the French to sell their apples, turkeys, eggs, poultry and milk in the United Kingdom on the same principles of free trade, then we are liable to be accused of deserting the national interest.

Whose national interest? The future of the United Kingdom cannot depend upon sheltering behind tariff or import barriers of one kind or another. The Labour Party are so disastrously wrong in their own attitudes to the Community. Yet I become increasingly alarmed at the rigour with which import barriers of one kind or another are either erected or maintained in order to defend a vested interest within the United Kingdom.

Continental milk and supplies of poultry and eggs from most EEC countries (together with the USA) are currently excluded from Britain with the aid of health controls which are at best specious. There are few obstacles to confirm that French people do not drink the milk from milk-buses but these controls do protect, on the one hand, a dairy industry which is dangerously monopolistic, and on the other, a poultry industry which already enjoyed virtual dominance — its own domestic market — but became petrified at the prospect of genuine consumer competition.

A matter of form

From Mr C. J. Hancock

Sir, Forgive my cynicism, but as a postwar recruit to the Treasury's O and M Division I recall two best sellers from the late forties: *Control of Imports and Exports* and *Control of Exports*, which contained all the wisdom now rehearsed in Lady Young's White Paper (report, February 18). We must look deeper therefore to discover why the bureaucratic jungle is denser now than when "scientific management" was first applied. I offer two suggestions.

1. Don't expect more management from top civil servants; your predecessors and many others have tried in vain. As you say they are preoccupied with "policy", but in addition they are trained from birth to protect the status quo. As a lifelong coolie, albeit a senior one in the end, my most cherished memory is of an annual report which condemned the Civil Service for its "policy", but in addition they are trained from birth to protect the status quo. As a lifelong coolie, albeit a senior one in the end, my most cherished memory is of an annual report which condemned the Civil Service for its "policy", but in addition they are trained from birth to protect the status quo.

2. As Aslef have demonstrated, productivity demands cooperation from the workforce. Junior civil servants are now strongly unionised, they are no longer brought up to serve in a vocational sense, and management must negotiate a deal with them. You cannot introduce new technology effectively, whether it be a streamlined form or an integrated micro-computer system, without staff participation.

Fuel subsidies

From Mr Andrew Warren

Sir, Responding to understandable concern about the proposed further substantial increases in domestic gas and electricity prices, you report the Prime Minister today (February 19) as stating that her Government is providing a larger amount of fuel subsidy than any previous Government. In toto, according to a written answer given earlier in the week, £250m per annum is spent on assisting the lower paid with their heating bills.

The money, substantial in anyone's terms, is paid to subsidize energy consumption. In contrast the Government have allocated just £20m this year to a drop in pound-note tests from two years ago, never mind inflation — towards their home insulation scheme, the only fiscal incentive to save energy offered domestic users.

Lead in petrol

From the Co-ordinator of the Maternity Alliance

Sir, We welcome the publication (report, February 8) of Sir Henry Yellowlee's letter on the risk to children from lead and the campaign for lead-free petrol.

However, we believe that both letters, while rightly exposing the dangers to children, fail to place the emphasis on that part of the human life cycle where lead does most damage. It would be expected that lead might do its greatest damage to the embryo and foetus, and a series of American research papers it has been reported that this is so in other mammals.

Indeed, if animals are exposed to lead before mating and through pregnancy their offspring are damaged by blood lead

We are now going to attack the French Government over the measures they propose to "re-conquer" the French market. Naturally, I approve. Equally, I want to see really effective action at last against destructive national aids for which the French are also notable. But I am convinced that the thrust of the attack will be weakened by the steps we ourselves have taken along the path of protectionism.

These issues lead across to the much wider problem of restrictions on trade between the European Community as a whole and the United States, trade war looms. The import restrictions which we have created with regard to American poultry are clearly not the substance of the dispute but given the traditional power of the farming lobby in Washington, it would be foolish to deny that they have played a part in souring the atmosphere between the Community and the United States.

My plea is for the restitution of tolerance before it is too late. The French are more likely to deny the French market for their own tariff walls if we set about dismantling some of our own. I will not deny that this will create some uncomfortable free trade in the market place, but there is no evidence whatsoever to suggest that protected or insulated industries thrive and flourish.

Britain's role at this time could be crucial. We have it in us to be the best Europeans of them all. I do not suggest for a moment that we tread especially lightly in such important areas as budget and farm policy reform, but our attitudes do need to be consistent.

A determination to protect what the President of the Commission, Mr. Thorn, described in Strasbourg last week as the Community's most precious asset — the single market — would be a mark of our firm intention to see this Community survive and prosper in a world which increasingly allows of little comfort elsewhere.

Yours, etc.
RICHARD COTTRELL,
Bristol Conservative Association,
5 Westfield Park,
Bristol.
February 19.

and support. There are more ways to sabotage a system than blowing it up.
What a pity the Government squandered millions on Pay Research Unit-backed pay settlements before it saw the light. It's a bit late now, but the only long-term answer is a bona-fide productivity programme, and sealed in such a way that even McCarthy could not undermine it.

Yours faithfully,
C. J. HANCOCK,
41 Rusper Road,
Hfield, Sussex.
February 18.

From Mr Andrew Drysdale
Sir, We are obliged to Sir Derek Rayner for his attempt to cut the paper chain of the Civil Service command (report, February 18). We congratulate Lady Young on her efforts to simplify forms.

I would like to suggest to Lady Young that she invite Sir Keith Joseph to encourage schools to study Civil Service forms in their English Language courses. A question could be included in A and O level examination papers on how to improve and simplify forms.

Would Sir Keith Joseph offer a prize to the school that produced the most improved form? Would the CBI sponsor the prize? We will all gain from being rid of the burden of completing forms which are often unnecessary and usually unintelligible, but the CBI more than anybody.

Yours faithfully,
ANDREW DRYSDALE,
Ferriers Grange, Hookwood,
near Horley, Surrey.

Nobody denies the necessity when fuel prices are so high to provide a cushion for those upon whom these costs bear disproportionately. But the allocation of only around one-tenth of this money to assist in reducing initial demand must be wrong. Here is surely a prime case for funding capital investment (in the form of conservation measures) in order to reduce current expenditure (in the form of fuel supplements).

Subsidising conservation leads to lasting benefits via more efficient equipment and consumption patterns and lowers long-term energy demands. Subsidising conservation, on the other hand, however socially desirable, in the long run just raises the demand for energy.

Yours faithfully,
ANDREW WARREN, Director,
Association for the Conservation of Energy,
38 Gloucester Place, W1.

levels about five times lower than are necessary to produce measurable effects in young or adult animals. The damage reported includes: reduced rates of brain growth and development; impaired learning and visual discrimination; delayed onset of puberty and reproductive function; impaired kidney function and impaired resistance to disease.

Research under the European Community Environmental Research Programme has reported on the biochemical and other changes found in the leading end of embryos. There is growing evidence that many other chemicals are more dangerous to gamete, embryo and foetus than to adults or even children.

Yours faithfully,
RUTH EVANS, Co-ordinator,
The Maternity Alliance,
309 Kentish Town Road, NW5.

Open units for girl offenders

From Mrs Anne Weitzman and others

Sir, We were interested to read in *The Times* (report, February 19) that "Keep Out" has chosen Bullwood Hall, the closed borstal for girls, as the first target in its campaign. Having, in our capacity as magistrates, visited this penal establishment twice in the last three years, we are aware of the disadvantages of locking up difficult and disturbed young women in a depressing environment with limited staff and treatment resources.

Talking with some of the girls, we were sad but not surprised to hear that several, particularly those from the North and the Midlands, had not had a visit throughout their sentence. As it is probably unrealistic to envisage the total closure of Bullwood in the near future, we put forward some short-term proposals for reducing the number of girls held there.

We fully support the "Keep Out" campaign in their demand for more facilities to treat psychiatric cases outside penal establishments. Except in the case of murder, we should like to see the end of custodial sentences for 15-year-old girls — whether the current sentence of borstal training, or the youth custody order proposed in the Criminal Justice Bill.

At present, all 15-year-olds have to be sent to Bullwood rather than to one of the open borstals for girls, at Moor Park in Staffordshire or at East Sutton Park in Kent, because only at Bullwood can they receive full-time education. The very few girls in this age group who need to be locked up could be contained in local authority secure units; this would have the added advantage of placing them near their homes, so enabling them to keep in touch with their families and local community.

We suggest that more girls than at present could safely be held in open units. We have visited the open borstal at East Sutton Park and we should like to see young women with violence on their record react no differently to the regime than others. The absence of vandalism in this smaller establishment suggests that more young women could safely serve their sentences under open conditions.

A reduction in the number of girls and young women sent to Bullwood Hall should make it possible to improve conditions there, and to enable them to reduce the numbers in the prison wings. On every visit, the staff told us how much more satisfactory it was to work with 20 girls on the two small wings than with 35, which is the norm; the atmosphere on the small wings is much calmer, and hence more therapeutic.

We hope that the greater flexibility of the youth custody order will enable these and other changes to be introduced. Yours faithfully,
ANNE WEITZMAN,
SALLY SAMPSON,
SARAH CURTIS,
21 St James's Gardens, W11.

Serious censorship

From Mr Michael Winner

Sir, I agree with Mr. Kitching (February 22) that a great many people would join him in encouraging film censorship at its present ferocious level. But then many people encouraged the over-painting of oil paintings with fig-leaves and the covering of tableaux vivants in Victorian times. I nevertheless maintain my belief that the majority of adults in this country would wish to be able to see films without the severe cutting by one dictatorial man working without an appeal heard. I think it is not done by our contemporaries or the Continent any harm to see films that we are unable to.

To believe that if you cut dramatic reconstructions of unpleasant aspects of life from movies, it will become sweeter and less violent is optimistic in the extreme.

Mr Kitching seems to be saying that because he can quote three critical words from reviews of my film, *Death Wish II*, that makes it all the more worthwhile that it was censored. I could match him, quote for quote, in words of praise; but that has no bearing on the matter either.

Yours faithfully,
MICHAEL WINNER,
Screenplay Films Limited,
6-8 Sackville Street, W1.

Subject for satire?

From Mr Richard Barlow

Sir, Neither a Christian nor a Hindu myself, I feel entitled to ask why the arrival of Swami Mukunda in Bombay in a Lincoln Continental should be treated, in your report on February 18, as a matter for derision while the arrival of the Pope in Liverpool in an open car of unspecified make on the same day was not.

The fact that a special bungalow, albeit of "elegant but simple" design, had been built for the Pope's use on his brief visit was arguably as much an insult for him as the Swami's pink robe, just as the "objective listener" who found the Swami's message banal and trite, would surely have had something to say about the Pope's strictures against artificial contraception in overpopulated Africa.

Being guilty of cultural bias, might I suggest that before the Pope's next visit you arrange for an exchange between your two correspondents?

Yours faithfully,
RICHARD BARLOW,
Duke's Court,
Kent Gardens, W11.

Focus on

Portugal

Portugal's Coalition Government has to weather troubled times. But while the country's economic difficulties are fundamental, almost eight years after the "Revolution of the Carnations" it is the time-consuming, lumbering struggle of rival political factions which often dominates the national scene.

Senhor Francisco Pinto Balsemão, the middle of the road Social Democrat Prime Minister, has this month had to withstand a politically inspired 24-hour general strike called by the Communists and to face a motion of no confidence put down in Parliament by the Socialist opposition.

After the Communist-led General Confederation of Labour failed to paralyze the country, largely because workers in the rival pro-Socialist and Social Democrat TUC refused to join in, the Interior Minister chose to counter attack. The arrests after the February 12 general strike led, he claimed, to the discovery that the Communists were behind "concrete plans to subvert democratic institutions."

Of course the Communists denied any such thing but the Government charges did come after Senhor Mario Soares, the Socialists' leader, had already charged that the rigidly pro-Moscow line Portuguese Communist Party was carrying out a Soviet plan to destabilize the entire Iberian peninsula.

Apology demanded and obtained

When Moscow's Ambassador in Lisbon replied, insulting Senhor Soares, the Government demanded, and obtained, an apology. It was a secret to no one in Lisbon that what lay behind all this Communist agitation was a determination to oppose tough and nail reform of the 1976 Constitution.

The scenario is for the Constitution to be short of the Marxist Socialist excesses imposed by revolutionary fervour in those days by a democratic vote of Parliament, and for a solemn proclamation of the reforms on April 25, the eighth anniversary of the Armed Forces' Revolution.

The reforms, if they are agreed in Parliament by that date, are supposed to usher in a settled era of Portuguese politics with a

fully functioning western democracy of two main groupings alternating in power.

But today it is abundantly clear that the revolutionary experience and the loss of a 400-year-old empire have left consequences which simply cannot be legislated away as Senhor Sá Carneiro, the post-revolutionary Prime Minister, who died in an aircraft crash in December 1980, intended. Far too many problems of social coexistence and economic survival remain to be resolved.

No one can say where Senhor Sá Carneiro's "grand design" would have ended or, if he had lived, whether Portugal might not have experienced an outright restoration. His death undoubtedly left a void to be filled. All last year was spent adjusting to his disappearance, which also left President António Ramalho Eanes, Portugal's 47-year-old army general, virtually unchallengeable after his reelection for a second five-year term within days of the Social Democratic Prime Minister's death.

Senhor Pinto Balsemão, his genuinely middle of the road successor, had throughout 1981 to struggle to assert his own authority as various "barons" within his own party and the right-wing Christian Democratic Party in the loose Democratic Alliance coalition each sought to manoeuvre to influence government policy or merely enhance their own sphere of personal power.

Last summer's political crisis, when Senhor Pinto Balsemão first stopped challenging his rivals and then was called back, could not really be definitive since all the elements of the coalition need each other to remain in power.

Unfortunately for the Prime Minister, what came afterwards was the prolonged economic crisis which still overshadows the national scene. Everyone from the IMF and the OECD to Senhor João Salgueiro, one of the three "superministers" to emerge after the August reshuffle and put in charge of finance, planning and European integration, has told the Portuguese people, in more or less diplomatic language, that they are living beyond their means.

As 1982 ended Portugal had a balance of payments deficit of \$2,000m, an even



A villager in the north-east. The tiny agricultural plots of northern Portugal underline the daunting tasks of modernization the country faces if it is to cope with entry to the EEC in 1984. Richard Wigg discusses the domestic political scene (left) and (below) analyses the new mood of realism about Community membership

worse record of deficit than that of 1977, after three preceding years of revolutionary upheavals.

Senhor Sá Carneiro may have had a political grand design, but his Government failed to find any formulae or motivation to make the Portuguese people work harder and prosper. Petrol imports, coupled with the dollar's rise, high interest rates and the drought, bringing a 30 per cent drop in harvests, could all be blamed, and were. But Portugal, which since the Revolution has had to import annually 50 to 60 per cent of its food

requirements, ended last year with an official admission of 75 per cent of food imports.

No wonder that President Eanes, in his new year message, declared that the economic question will this year be "the crucial problem for Portugal whatever happens in politics."

The 1982 budget was presented by Senhor Salgueiro last November as designed for "national salvation," but the austerity measures, above all a wage ceiling set well below the officially admitted inflation rates, have inevitably made the going tough for Senhor Pinto Balsemão.

The Communists, who anyway promised his Government labour trouble right from the day his second Administration was approved by Parliament, began a series of ever-widening strikes, culminating in the 24-hour general strike.

But the Socialists, led by Senhor Mario Soares, also decided the time had come last month to launch a campaign offering themselves as an alternative government.

The social and economic troubles did not however,

prevent Portugal's politicians continuing their habitual infighting, for if Senhor Pinto Balsemão had problems in his party, Senhor Soares had to struggle to regain a highly personalized sway over his formation.

The biggest surprise came, however, last month when President Eanes, who had notably helped the Prime Minister to win through last summer's crisis, appeared to make a contribution of his own. Only days after demanding any change in the presidential powers, almost 28 per cent said they would even vote for him if he chose to

launch his own political movement. The party politicians had little real excuse for being shocked. Early in December President Eanes, while rejecting those voices calling on him to form a presidential party, had bluntly warned the parties that if they went on showing little capacity to solve the nation's problems he might exercise his power to dissolve Parliament and call elections earlier than the constitutionally foreseen date, October, 1984.

The upshot of the debate which followed the presidential initiative was that the Socialists, whose support is vital to the Democratic Alliance Government to provide the two-thirds majority required for any constitutional reform, decided the President should keep his political powers, though lose to the Government the right to nominate the service chiefs and the chairman of the Joint Chiefs of Staff.

Alarm for party politicians

President Eanes' threat, issued through a trusted spokesman, that if he lost those powers he would promulgate constitutional reforms but then resign and form his own political movement, alarmed the party politicians deeply. But it was the clearly implied challenge to their own future, through a realignment of political forces, which worried them most.

The semi-presidential system, enshrining a method of checks and balances, can be defended, even if Portugal's strong-willed politicians are precisely those who find it most awkward to work. But for the Portuguese people there are advantages in a presidential arbiter, provided he intervenes only occasionally, when the national interest demands, and lets the Government of the day get on with the business of the day.

The December 1980 presidential election, in which Senhor Sá Carneiro campaigned so vehemently until the air killed him three days before polling, showed that the Portuguese do, indeed, favour the existing system, and then rejected the figurehead-type presidency Senhor Sá Carneiro's candidate offered them. After President Eanes' initiative last month, a public opinion poll, published in the Lisbon *Expresso*, showed 45 per cent of those questioned supported him against only 21 per cent wanting to see any change in the presidential powers. Almost 28 per cent said they would even vote for him if he chose to

launch his own political movement.

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The Revolutionary Council, the Armed Forces' watchdog, originally set up precisely in an effort to maintain revolutionary provisions in the Constitution, is however doomed. Repeatedly it has challenged the Sá Carneiro and Pinto Balsemão Governments head on, blocking legislation passed by parliamentary majorities.

Colonel Melo Antunes, one of the surviving figures of the revolutionary era and chairman of the Constitutional Committee of the Revolutionary Council, suggested in an interview with a French magazine last December that if the party politicians were bent on confrontation with a presidency whose powers they resented Portugal could find itself in a cul de sac. The only way out was fresh elections and a left wing government based on an alliance of Socialists and Communists. He was answered frankly by Senhor Soares making clear that after the Portuguese Communist Party's defence of the Jaruzelski regime in Poland, such an idea was totally unrealistic.

With an increase of about 25 per cent in consumer prices last year and wage ceilings on top of a per capita level of national income half that of Greece, the mass of ordinary Portuguese people are experiencing hard times and no government can hope to be popular or keep its morale high.

Going to market... slowly

When a delegation from Portugal's Confederation of Industry (CIP) went on a fact-finding mission to the European Community headquarters last December M. Etienne Davignon, vice president of the Brussels Commission, warned them: "Joining the EEC, is not like writing a letter to Father Christmas."

As the negotiations for Portugal's joining reach the detailed stage — the Pinto Balsemão Government wants them to be carried through to conclusion by late this year or early 1983 with the accession date still targeted as January 1, 1984 — a belated realism is beginning to grow among businessmen, industrialists, importers, and some of the better-informed retailers and farmers.

This is the biggest change noticeable in Portugal. First applied formally to join in 1977 — after years of generalized professions of support for accession without any detailed study or prior knowledge of the problems. The stage of effective preparation for entry however has still really to begin.

The problems facing Portugal's textile industry over integration well illustrate some of the new realism. There exist numerous small and medium-sized firms, 85 per cent of the industry, but they only produce some 30 per cent of the textiles and clothing. The Confederation of Industry, defending their interests as members, has been flatly urging the Government since last summer not to join the EEC if, as one director expressed it,

"the Common Market is unwilling to apply its own basic principle of a market without internal trading barriers to Portugal's chief export."

Even before acceding Portugal is experiencing the effects of one of those typical tough Brussels battles over the economic and political interests of existing member states. Britain and France are especially unwilling further to sacrifice their own textile industries to a more competitive newcomer in items like blouses, T-shirts, and trousers. The rhetoric of aid to Portugal helping one of the poorer nations of Southern Europe to integrate.

With the voluntary restraint agreement having run out on December 31, something to put in its place is being devised by the Ten. Senhor João Salgueiro, the Finance Minister who has charge of the EEC negotiations, knows that one sector, however influential, cannot be allowed to dictate the course of the entire negotiations. In Brussels last month he only warned the Ten, therefore, that Portugal could not accept quotas of voluntary restraints which would "seriously" limit its future textile exports.

The EEC last year agreed 275 million units of account pre-accession aid to Portugal, 100 million as grant and 150 million as soft loans. Again, a conflict of interest emerged with France and Italy unwilling under the provision for aid to small and medium-sized Portuguese firms to modernize, that funds should go precisely to the textile

industry. It had, they maintained, to be aid to diversify into new areas, ideally in a future marriage of Portugal's relative low wage costs, and imports of new technology elsewhere. Meanwhile France and Italy used other EEC funds to modernize their own textile industries.

Agriculture is another vital sector where that pre-accession aid is foreseen. As joining comes slowly nearer, realism is beginning to concentrate not on the single problem of Portugal's future exports to the Community of tomato paste (as in the past) but on the immense problems of farm modernization, agricultural training and organization of markets. But little has happened because of the absence of projects from Portugal.

Today's realities are daunting

In theory, modern farming methods could with specific crops bring increases in productivity in Portugal of up to 200 to 300 per cent. Today's reality however is daunting: 300,000 out of Portugal's total of 800,000 farms have less than one hectare, 50 per cent of the farmers (average age 50) are functionally illiterate and an estimated 75 per cent have no idea of book-keeping. The farming sector accounts for only 18 per cent of the gross domestic product while employing 33 per cent of the national labour force. Agricultural productivity is still below what it was in the last year before the Revolution yet almost six years have elapsed since the first democratically elected government took office after it.

In the face of massive food imports, never below 50 per cent of the nation's total requirements since 1974, the Government has just begun an incentive scheme to stimulate Portugal's farmers to grow more cereals, though this has run into criticism for concentrating on a mere volume increase when there exists an urgent need to improve quality.

In spite of promises by the Sá Carneiro and Pinto Balsemão Governments the consolidation of the farmers' minuscule farming units in northern Portugal has not been pushed ahead nor is there a vigorous cooperative movement in preparation for EEC entry.

How long then will Portugal's fragile economy still need to prepare for joining?

One element in the Government's strategy of pushing ahead politically is admitted privately to be based on the judgment that entrepreneurs will be jolted into taking their own necessary decisions after endlessly putting them off.

Following the example of Greece, Portuguese experts now argue that the country's agriculture risks buckling under a five-year transition period, and that Lisbon's negotiators must obtain from Brussels ten years, especially for the most vulnerable sectors like dairy and meat products. The danger to agriculture comes especially from Portugal's two big neighbours, France and Spain after joining, and one former Portuguese agricultural minister has seriously maintained his country would need as much as a 20 year transition period.

A major headache is that Portugal's chronic balance of payments deficit problem, already an immense "bottleneck" for the nation's economic growth, would become even worse if more costly cereals were imported from EEC partners instead of as now from the United States or Canada. Portugal herself has a convergent interest with Britain over reforming the Community's budget and agricultural policy.

Many informed Portuguese now argue to the effect that a more flexible attitude is required of Brussels over a compensatory resort by Portugal to the European regional development and social funds if an acceptable packet of prospects and burdens involved is ever to be reached.

For industry a five year general transition period is spoken of, but trade organizations always couple this with provisos about the use of safeguard clauses sectorially. The Government has still to adopt a detailed position, industrialists say. Portuguese businessmen are deeply worried about Spanish industrial competition after entry and about multinationals setting up new modern plant.

If you ask a Portuguese executive why more preparation has not gone forward over the past five years the most common reply is to blame the country's politicians, all from left to right, with stability and certainty still not in sight for investors.

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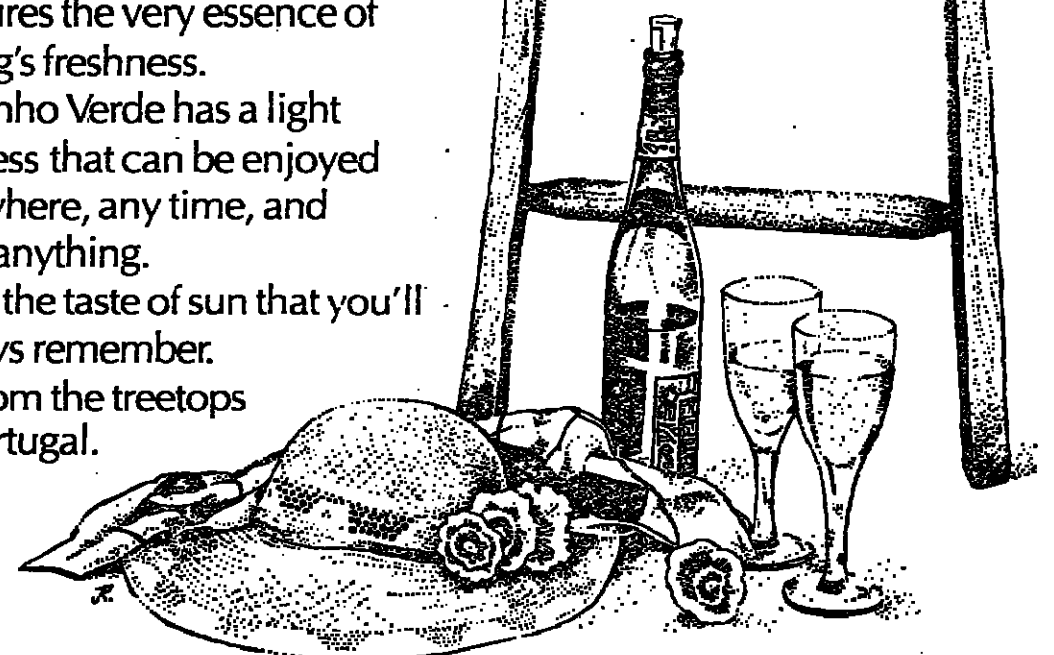
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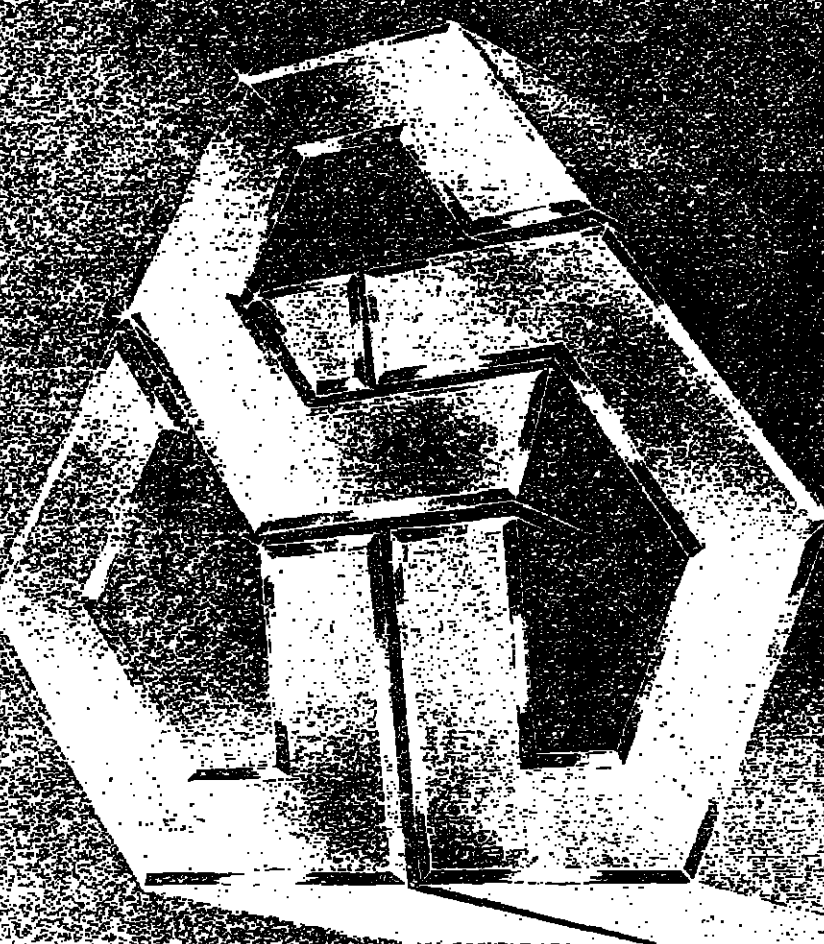
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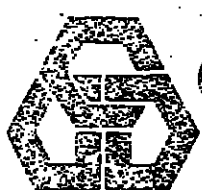
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PORTUGAL

The Government is resorting to austerity programmes to limit damage to the economy. At the same time, the authorities are trying to encourage foreign investors.

Revenue is rising, but so is the deficit

Portugal was forced last year to slow the pace of growth in the economy to adjust to worsening domestic and international economic conditions. After a remarkable 5.5 per cent growth in 1980, the rate declined by more than half to 2.5 per cent last year. This was the intended effect of a mini-budget introduced in July 1981, which raised interest rates to tighten credit (despite the implications of such a measure for the numerous firms in a weak financial position), and to contain inflation and the current account deficit within manageable levels. At the same time, the Government moved to raise public service and energy prices and began a programme of scrapping price subsidies.

By the end of the year it was clear that this first austerity programme was failing to reach its goals and the Government then found it necessary to introduce a more stringent plan. After seven years of climbing budget deficits, the prime targets for austerity were, again, the civil service, the wages of state sector enterprises and subsidies. Revenue in 1982 is now expected to rise by a quarter to 352,000 escudos, the result of increases in indirect and certain direct taxes (as well as bringing civil servants into the tax net for the first time), more efficient tax collection and tougher measures to prevent fiscal fraud.

Despite the predicted increase in revenues, the deficit is still expected to go up by about 5 per cent to 151,000 escudos in 1982. About two-thirds of this are accounted for by rising interest payments in Portugal's \$10,000m foreign debt. Portugal's austere plans for 1982 are based on the expectation of normal rainfall. The country's problems in 1981 were compounded by a severe drought which broke with flooding in January this year. Full results are not yet available, but it is estimated that cereal crops fell by 40 per cent in 1981 from 1980 output. The country's problems for electricity generation rose substantially. Imports of food and animal feeds had to be boosted by 74 per cent from their 1980 levels. The extra cost of food and grain alone is put at \$1,500m, while it is likely that Portugal will continue to import electricity, at least until its hydroelectric reservoirs attain near normal levels. In 1981 these imports, mostly from France, were up 67 per cent over 1980 figures.

Speeding up evaluation

In the first half of 1981, a current account deficit of \$1,600m was recorded and it is officially predicted that the total for the year may be close to \$2,000m (the 1974 forecast was \$1,750m in 1981). The major reason for the increase in the current account deficit was a decline in the terms of trade and high demand for imports, particularly oil, which were nearly twice as large as

in 1980. The Government has endeavoured to bring down the target for wage increases from 23 per cent in 1980 to 16 per cent in 1981 and 17.2 per cent in 1982 and has set a target of 14.75 per cent for this year, with a 2 per cent margin for increases in productivity. Lower wage rises have caused a marked worsening of the labour

market in recent years to attract foreign investors to Portugal, overall results have not been highly successful. While the percentage increase of direct foreign investment in 1981 rose by 43.4, it amounted to a mere 9,000m escudos (about 90m), and only 19 per cent of this went into new plant, a low figure for a country which must invest heavily to meet the challenge of entry to the European Economic Community.

Analysts believe that the slowness in investment recovery is not only due to a lack of confidence after the 1974 revolution and political instability, but also to the international recession, a slowdown in worldwide investment and continuing institutional conflict within Portugal.

However, the two-year-old right of centre Democratic Alliance coalition determined to swing Portugal's orientation around 180° and become a full partner in the European Community, has moved to open investment doors as wide as possible.

It has defined 12 priority areas for foreign investment, including food processing, basic pharmaceuticals, and precision instruments, and will give virtually automatic authorization in these areas, provided the project fulfils minimum objectives.

It has approved a new incentive system assessing investments by their performance, industrial priority and geographical location. Benefits can include nine-year tax holidays and exemption from, or reduction in, import duties. Large investors can also negotiate special conditions, including government grants and lower interest rates on bank loans.

Because of its cumbersome nature, the incentive scheme has not stimulated foreign investment as planned and it is now under revision. Coup-

Portugal's exports. Despite a 10 per cent rise in exports in the first nine months of last year, imports fell by only 3 per cent in response to the Government's two austerity packages in 1981.

Other explanations for the growth of the current account deficit include a decline in remittances from workers in Europe (these were to some extent cushioned by those from the rest of the world, inflated by the US dollar's strength during 1981) and, although tourist arrivals were at near record levels, individuals' spending was depressed by higher local prices and a tendency to cut spending luxuries.

The enlarged current account deficit was financed almost entirely by capital inflows. Last year was a record year on the Euromarkets for Portugal, and about \$1,100m was raised up to November 1981 or more than twice as much as during the whole of 1980. Portugal's \$500m jumbo loan in early 1981 commanded the finest spreads the country has yet achieved (half point over Libor for the first six years and three quarters of a point for the remainder) and represented a significant advance in terms on 1980's rather smaller-scale loan to the republic.

In the last quarter of 1981, the Portuguese Post Office — CTT (\$50m), the Airport Authority — ESPANA (\$20m), the Sines port and petrochemical scheme — GAS (\$50m) and the highway authority — JAE (\$80m) all raised money on the Euromarkets. Direct foreign investment, influenced by Portugal's efforts to join the EEC, increased by 150 per cent in 1980 and 49 per cent in 1981 to total 9,300m escudos in the latter year. Industrial investments accounted for about half the 1981 figure and those in services (including tourism) for some 40 per cent; the United States and France together contributed half of the total investment from overseas in 1981.

Due to high inflows of foreign loans and direct investment, foreign exchange reserves (excluding gold) rose from \$795m in September 1980 to \$814m a year later. However, by October 1981 they had dropped to \$616m as reserves were drawn down to pay for imports and for interest and amortizations on loans. Portugal also holds 22 million ounces of gold in its reserves — which are valued at close to \$9,000m at current market prices — for official purposes they are valued at \$5,600m by the Portuguese; less than one tonne of gold is now held as pledges against Portugal's loans, due to their repayment on schedule.

In wages policy, the Government has endeavoured to bring down the target for wage increases from 23 per cent in 1980 to 16 per cent in 1981 and 17.2 per cent in 1982 and has set a target of 14.75 per cent for this year, with a 2 per cent margin for increases in productivity. Lower wage rises have caused a marked worsening of the labour

climate and strikes cost the country 70 million lost man-hours last year. A general strike on February 12 was called by Inter-sindical. The decline in wage rise targets is intended to contribute to the reduction of inflation, which fell from 24.2 per cent in 1979 to 14.4 per cent in 1980 — one of the major successes of Senhor Sa Carneiro's period of government — aided by the year's abundant crops and a revaluation of the escudo in February 1980. In the year to September 1981, consumer prices increased at a rate of 23.6 per cent, boosted by local cost increases, due to the effect of the drought on food prices (23.9 per cent) and higher energy and tax costs.

Agriculture a problem

The drought-related cuts in energy supplies to Portuguese companies have had their effect on output. This is consistent with the findings of an INE (National Statistical Institute) business survey conducted in the third quarter of 1981, which reported that the expectation of fewer export orders was also having a depressing effect. This reverses the trend between 1977 and 1980 when foreign demand for Portuguese products provided the market with buoyancy; now the converse is true. Industries producing intermediate goods appeared to be suffering most, with more than a third of respondents reporting over capacity for work in hand.

To double the rate of exports' increase to 7.5 per cent this year from 3.5 per cent in 1981, the authorities have announced that the crawling-peg devaluation of the escudo is to be speeded up from 0.5 per cent to 0.75 per cent a month. Last year the escudo lost 6.25 per cent against a basket of the currencies of Portugal's major trading partners. It lost 19.1 per cent and 18.3 per cent respectively against the Canadian and US dollars, 17 per cent against the Swiss franc and 14.4 per cent against the yen. On the other hand it gained 5.6 per cent against the Italian lira, 5.3 per cent on the South African rand and 2.8 per cent on the Swedish krona. As demand for Portuguese exports grows, additional export incentives are planned and access to export credits for major local firms, guaranteed.

To help maintain demand, investments of 53,900m escudos by the public sector are planned for the year. Funds are earmarked for the Sines petrochemical and industrial complex and deep-water port, and an airport in Madeira, as well as for highways, agriculture aids and drought relief and education. After rises of 4 per cent and 3 per cent respectively in 1981, public and private consumption are both forecast to rise by only 2 per cent this year, as a result of the Government's 1982 austerity schemes. As part of the

effort, a borrowing limit of \$550m has been applied to foreign loans. Even this sum may not be raised as a result of late cutbacks in current and investment expenditure planned for 1982.

Agriculture remains an area of prime government concern, with its present level of productivity a major brake on development. As well as making drought aid available, official price support levels are being increased. The agrarian reform programme has had to be halted, but idle land is still liable to expropriation. In future, official support will be granted for new crops including sugar, tobacco and cotton, as well as investments to improve marketing and technology.

Two other major challenges face the country in the economic arena this year: reform of the 1976 post-revolution constitution, and accession to the EEC. Both have tempered policy-making since the Democratic Alliance took power after the December 1980 elections. To amend the constitution, the Democratic Alliance must obtain a two-thirds majority in the Assembly. A multi-party committee is working on amendments for debate, and the new legislation is expected to be passed by April 25. So far the committee has agreed measures to abolish the Council of the Revolution, a non-elected all-military body which has veto powers over the Government legislation. Progress on the vexed issue of denationalization of heavy industry and banking and insurance has been much slower. Senhor Pinto Balsemão, the Prime Minister, has stated that reform to the public sector aspects of the constitution will be within the realms of the possible, rather than the justifiable.

Although the admission date for entry to the EEC has been postponed from 1983 to 1984, given the EEC's own budget and agricultural (CAP) problems, enthusiasm among Portugal's major political parties (except the Communists) remains high. The Portuguese are worried that delays in Spain's negotiations, especially on agriculture, will delay their own accession beyond January 1, 1984, and Senhor Pinto Balsemão has been pressing EEC heads of government to allow his country to sign the preliminary treaty towards the end of this year.

Even if Portugal should see its wish fulfilled, long transitional periods are expected for agriculture, fishing, textiles and the free movement of capital and labour. The community is providing 275 million units of account (EUA) as pre-accession finance (loans, 150 million EUA and grants, 125 million EUA) — 30 per cent below Portugal's original request — for investment in agricultural and regional development, roads and tourism projects, help for small and medium-scale industry and vocational training.

Michael Woollier

Where are the foreign investors?

Despite intensive government attempts in recent years to attract foreign investors to Portugal, overall results have not been highly successful.

While the percentage increase of direct foreign investment in 1981 rose by 43.4, it amounted to a mere 9,000m escudos (about 90m), and only 19 per cent of this went into new plant, a low figure for a country which must invest heavily to meet the challenge of entry to the European Economic Community.

Analysts believe that the slowness in investment recovery is not only due to a lack of confidence after the 1974 revolution and political instability, but also to the international recession, a slowdown in worldwide investment and continuing institutional conflict within Portugal.

However, the two-year-old right of centre Democratic Alliance coalition determined to swing Portugal's orientation around 180° and become a full partner in the European Community, has moved to open investment doors as wide as possible.

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led with this the Government is putting the finishing touches to a new packet of foreign investment measures, including alterations to the foreign investment code established in 1977, removing restrictive aspects.

An important planned reform here will be the liberalization of conditions for the repatriation of capital and dividends by foreign investors now conditioned by delays related to Portugal's balance of payments.

Two top priority areas to which the Government applies even more attractive investment incentives are the tourism industry and export-oriented enterprises. Investors in these sectors have privileged access to hard-to-get local credit (stringently controlled by credit ceilings set by the Central Bank) and other fiscal and financial perks.

Arab world investors have shown a certain positive response recently to these schemes and are moving into tourism projects. A Swiss-based Saudi group signed a \$36.5m joint venture deal with the state-owned oil

company Petrogal to build and operate two luxury hotels in Lisbon and Oporto. Danish and Arab entrepreneurs are said to be on the verge of signing deals to open multi-million dollar tourist complexes of the Club Med type in different parts of the country.

These areas apart, foreign companies are also looking hard at Portugal as an export base both to the EEC and to the former Portuguese colonies. Encouraging this trend, the Government is vigorously promoting its Sines industrial complex and harbour south of Lisbon.

This 41,000 hectare estate is graded for medium-sized projects aimed at export markets in the Middle East, Africa and the Mediterranean. Sines administrators have hired an American research company to sell its facilities to potential North American investors. As a result, the Ford motor company retains its expressed interest in establishing a joint venture plant at Sines once the world car

market swings upward again, and the giant Anaconda copper smelting company has been looking at facilities at Sines.

Nearby, the richest pyrite deposits in Western Europe are sparking much interest among foreign investors who would be foreign investors. The Government is keen to ensure that this mineral wealth is turned into a value-added asset and is exploring deals to process the raw material locally and export finished products.

On the financial front many international banks have opened representative offices and parabanque organizations. The financiers are positioning themselves for the time when Portugal's highly restrictive legislation on banking and insurance changes. So far the government has four times tried to alter the 1977 private and public sector law, governing these activities and which for ideological reasons prevents new private banks from opening here.

A Special Correspondent



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FOCUS

General

After a period of authoritarian rule which culminated in a military coup in 1974, two years of political turmoil followed until the country was rescued from chaos by General António Ramalho Eanes. He handed over the Government to civilian politicians and in 1980 a right of centre government was formed by the Democratic Alliance, a coalition of Social Democrats, Centre Democratic and Popular Monarchist parties. Senhor Francisco Sa Carneiro was elected Prime Minister and the country appeared to be on a more stable course but in December 1980, a new government was formed with Senhor Francisco Pinto Balsemão as Prime Minister, who later appeared to be on a collision course with the re-elected President, General Eanes, over revision of the constitution. Senhor Pinto Balsemão's Democratic Alliance won 47.10 per cent of the votes in the 1980 general elections, and in the unlikely event of the Socialist parties improving their opposition, the present Government should remain in power until 1984.

The Government's main task now is to restructure the economy and to prepare Portugal's accession to the EEC, also planned for 1984.

Head of State



President of the Republic, General António Ramalho Eanes

The Government

Prime Minister, Senhor Francisco Pinto Balsemão
Assistant Prime Minister, Senhor Fernando do Amaral
Vice-Prime Minister and Defence, Senhor Diogo Freitas do Amaral

Quality of Life

Senhor Gonçalo Ribeiro
Finance and Planning, Senhor João Salgueiro
Interior, Senhor Angelo Correia
Foreign Affairs, Senhor Andre Gonçalves
Justice, Senhor José Meneses Pimentel
Education, Senhor Vitor Pereira Crespo
Labour, Senhor António Queirós
Social Affairs, Senhor Luís Barbosa
Agriculture, Commerce and Fishing, Senhor Basílio Horta
Industry, energy and exports, Senhor Ricardo Bayão Horta
Culture and science, Senhor Francisco Lucas Pires
Housing, public works and transport, Senhor José Viana Baptista

Main ministries and government offices

Interior, Praça Comércio, 1100 Lisbon. Telephone 364521; telex 16765 GBMAI P; fax dept, telex 18791 DSECEP P
Agriculture, Praça Comércio, 1100 Lisbon. Telephone 366449; telex 13517 MAP P
Communications, Praça Restauradores, 1200 Lisbon. Telephone 362531; telex 12562 MCSNOT P
Commerce and Tourism, Avenida República 79, 1094 Lisbon. Telephone 321909; telex 13455 COMINT P
Education, Avenida 5 Outubro 107, 1000 Lisbon. Telephone 778793; telex 18428 EDUCA P
Finance, Avenida Laf, D.H. Henrique, 1100 Lisbon. Telephone 366555; telex 12143 MINFINP
Housing, Rua Castilho 50, 1200 Lisbon. Telephone 368851; telex 13461 MHUC P
Industry, Rua Horta Seca 15, 1200 Lisbon. Telephone 327391; telex 13462 MITLEX P
Navy, Praça Comércio, 1100 Lisbon. Telephone 368960; telex 12587 CENCOM P

The political parties

AD - Democratic Alliance
PSD - Social Democratic Party
CDS - Centre Democratic Party
PPM - People's Monarchist Party
APU - United People's Alliance
MDP/CDE - People's Democratic Movement
PCP - Portuguese Communist Party
FRS - Republican and Socialist Front
PS - Socialist Party
UESD - Union of the Socialist and Democratic Left
ASDA - Association of Independent Social Democrats
UDP - People's Democratic Union

Public holidays 1982

April 9 Good Friday
25 Armed Forces Day
May 1 Labour Day
June 10 Corpus Christi
13 St Anthony (only Lisbon)
24 St John (only Oporto)
August 15 Assumption of Our Lady
October 5 Republic Day
November 1 All Saints Day
December 1 Independence Day
8 Immaculate Conception
24/25 Christmas

Business hours

Commercial offices: 09.00-13.00, 15.00-19.00; or 09.00-19.30; Saturday 09.00-13.00.

Passports

For a stay not exceeding 60 days a visa is not required by visitors holding valid British passports.

Currency

The unit of currency is the escudo which is divided into 100 centavos. The escudo sign comes between the number of escudos and centavos.
Rate of exchange: £1 = 128 escudos

Embassies

British Embassy (Commercial Dept.), Rua de S. Domingos a Lapa 35-39, 1296 Lisbon. Telephone: 661191 Telex: 12278
Portuguese Embassy, Trade Office, Portland House, Stag Place, London SW1E 5BH

Useful addresses

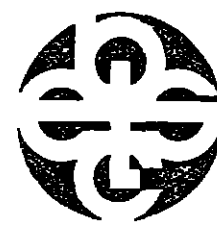
British-Portuguese Chamber of Commerce, PO Box 2190, 8 Rua da Estrela, Lisbon 2. Telephone: 66 15 86
International Chamber of Commerce and Associação Commercial de Lisboa, 89 Rua das Portas de Santo Antão, 1100 Lisbon.
Associação Commercial do Porto, Palácio da Bolsa, 4000 Oporto.
Confederação do Comércio Português, Av. Elias Garcia 59, 1000 Lisbon.

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13766 BESCL P

London Branch
Cunard House
88 Leadenhall Street
London EC3A 3DS
Tel. 01-283 53 81
Telex 883064 ARIEB G
886950 ARIEB G

Exports to Britain

	1978	1979	1980
Tonnes	£'000	Tonnes	£'000
Livestock/meat	973	147	186
Vegetables	5,199	2,401	9,473
Fats and Oils	11	26	1,324
Sardines, anchovies and tomatoes	11,690	6,393	18,041
Port, madeira, etc	16,127	13,428	16,381
Mineral products	67,762	5,367	19,082
Chemicals	24,589	5,211	25,213
Plastics	1,208	1,503	2,753
Leather and hides	259	717	1,377
Wood/cork	364,848	35,959	483,355
Paper and board	108,088	17,066	106,384
Textiles	43,086	18,708	49,058
Footwear	2,938	7,420	4,078
Ceramics	22,472	4,659	22,470
Jewellery/stones	0	389	0
Metal products	5,485	3,384	10,807
Electric machinery	2,797	21,204	2,742
Transport equipment	12,125	4,859	1,874
Electronics	346	2,555	522
Arms	2	15	0
Furniture	235	562	508
Arts	7	1,023	36
Mail orders	—	345	11
Other	—	2,324	—
Total	685,040	256,221	1,015,098

Imports from Britain

	1978	1979	1980
Tonnes	£'000	Tonnes	£'000
Livestock/meat	4,112	2,259	678
Animal products	18,948	2,709	15,118
Fats and oils	1,090	528	993
Sugar	3	1	26
Whisky	1,689	2,178	2,007
Mineral products	262,188	19,620	234,787
Wood/cork	583	168	215
Paper and pulp	2,236	2,253	2,597
Textiles	8,438	14,875	8,809
Footwear	22	8	2
Ceramics	3,093	3,097	4,728
Jewellery/stones	4	1,203	4
Metal products	81,794	22,157	48,084
Elec. machinery	17,522	52,001	18,783
Transport equip.	52,921	88,104	52,208
Electronic etc.	47,511	5,874	518
Furniture	463	1,796	472
Arts	3	72	3
Mail orders	—	—	—
Other	—	22,629	—
Total	573,690	286,325	443,056

Trade Balance (\$US millions)

	1975	1976	1977	1978	1979	1980	1981*
Exports, fob	1,940	1,790	2,001	2,379	3,550	4,616	121.33 (Esc.bn)
Imports, fob	3,614	3,985	4,533	4,787	6,182	8,667	171.81
balance	-1,674	-2,175	-2,532	-2,408	-2,632	-4,051	-50.57

Source: IMF and IMF * January-June

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Penta

Price Indices

	1975	1979	1980	1981*
Wholesale (1963=100)	524	602	638	—
Cost of living	25.7	23.6	14.9	25

Source: BOLESA * estimate

Population

	1975	1978	1979	1980
	8,979	8,196	8,324	9,385

Unemployment

	1978	1979	1980
% of labour force	8.2	8.2	7.8

Labour force - 1980

	'000	% change from 1979
Agriculture	1,082	-4.8
Industry	1,071	2.1
Construction	372	13.8
Services	1,430	4.6

Main trading partners: 1981 (January-September)

Country	Imports	Exports
Escudos millions		
Total, all countries	421,917	82,279
EEC: total	158,497	96,590
W. Germany	43,968	21,890
Belgium	10,069	4,590
Denmark	1,867	2,847
France	32,000	23,000
Netherlands	12,179	8,279
Ireland	1,135	754
Italy	22,250	7,872
U.K.	34,730	26,562
Greece	267	789

Rest of the world:

	Imports	Exports
Esc. Bn		
Africa	25,394	22,808
N. America	66,848	14,780
Latin America	22,265	3,367
Asia	88,251	7,790
Middle East	67,040	4,003

Gross National Product

	Esc. Bn
1977	617.4
1978	765.8
1979	973.1
1980	1,174.9

Gross Domestic Product

	Esc. Bn	% growth
1977	624.2	5.4
1978	780.3	3.4
1979	994.4	4.5
1980	1,205.3	5.5
1981*	1,626.7	3.5*
1982*	2,114.7	3*

Source: IMF, Bank of Portugal, Central Planning Dept. and others.

Gold reserves

	SUS million
1976	27.67
1977	24.11
1978	22.13
1979	22.13
1980	22.17
1981 (Sept.)	22.16

Source: IMF and OECD.

Total external debt

	SUS billion
1976	4.4
1977	5.4
1978	6.6
1979	6.6
1980	7.7

Main exports by products

Product	Per cent
Textiles	32
Wood - cork	16
Agricultural	15
Machinery	14
Other	23

Tourism

	Arrivals registered
1981*	6,392,311
1980	6,977,045
1979	5,287,352
1978	3,389,252

Bed nights

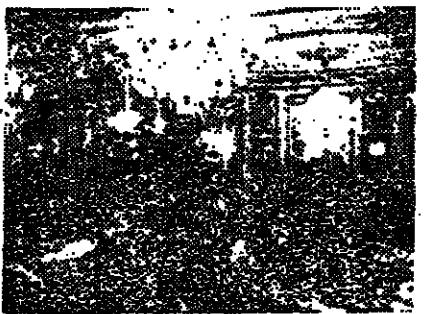
	1981**
total	5,584,000
Britain	883,000
W. Germany	492,000
Spain	280,000
France	220,000
1980	14,085,000
1979	13,197,000

* January-October
** January-November

ARE YOU A NATURAL LUSOPHILE?

A LUSOPHILE is a lover of Portugal - a country where there is so much to fall in love with. From the 530 miles of sunny, unspoilt beaches to the ancient mountain villages with their magnificent medieval monasteries and palaces, some of which have been converted into luxurious but inexpensive hotels.

If you love travelling, but hate tourists, and want to be free to explore some of Europe's most beautiful scenery and varied cuisine... then you're probably a natural Lusophile. If you're in any doubt, ask yourself the following questions. As you'll quickly discover... there's so much to discover in Portugal.

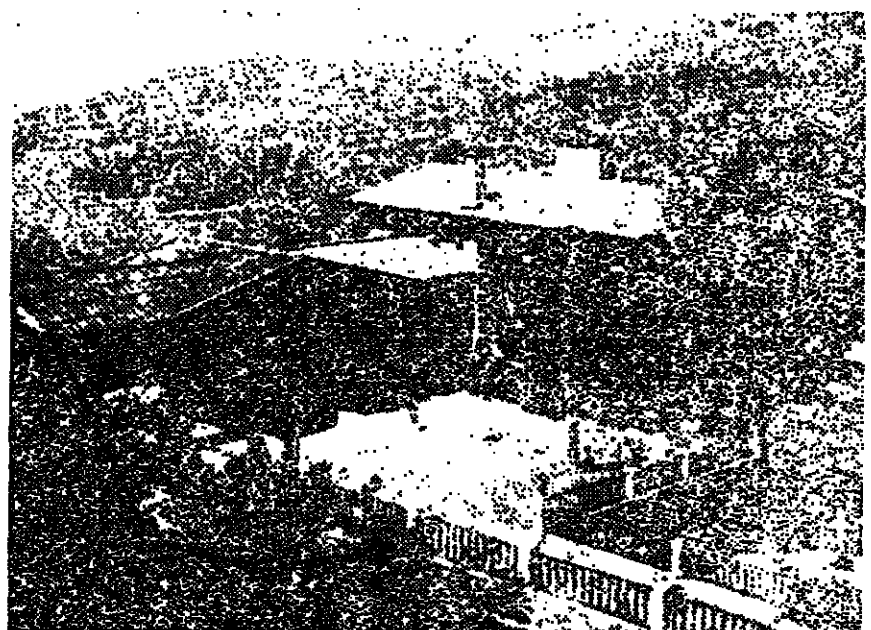


1 WHAT IS YOUR IDEA OF A GOOD MEAL OUT?

A. To begin with a glass of chilled white port as an aperitif. Then *almo verde*, a delicious green soup made from potato puree and finely shredded cabbage. Followed by *carne de porco à Alentejana* (succulent pork with mussels) and a bottle of refreshing *vinho verde*. For dessert, *Pudin Molotov* (fluffy egg white mousse immersed in caramel sauce). Finally a slice of the irresistible *Sernu* cheese, a cured ewe's milk-cheese from Portugal's highest mountain range, to be shared with a rich red port and a *chai*-coffee. All served in splendid surroundings for around £6.00 a person.

B. Sitting outside a beach café eating freshly grilled sardines with homemade country bread, and drinking red wine from the wood, while the sun slowly sets over the ocean. For only £1.00 a head.

C. A fixed-price menu in a small continental roadside café: £4.00 a head without service.



2 WHICH OF THESE HOTELS WOULD YOU MOST LIKE TO STAY IN?

A. The *Pousada dos Lóios*, a 15th century converted monastery for around £16.00 a night, including breakfast and a lavish dinner in the cloisters.
B. The *Estalagem do Forte Muchaxo*, a charming inn on the outskirts of Lisbon and overlooking the sea, for around £12.00 including breakfast.
C. A modern tower block hotel overlooking the station. Half board and half built for £15.00 a night.

3 WHEN IT COMES TO SOUVENIRS WOULD YOU RATHER HAVE?

A. A colourful, hand-embroidered peasant's shawl for under £4.
B. A pair of the finest, hand made leather shoes for £15. Or a pair of elegant women's boots for only £25.
C. A plastic replica of the Statue of Liberty.



4 WHAT IS YOUR IDEAL BEACH?

A. One that you discovered yourself.
B. One that was recommended by a local over a beer.
C. Where have all the people gone.

5 WHEN YOU'RE TOURING IN YOUR CAR DO YOU LIKE TO?

A. Feel that you're going somewhere that no other tourist has ever been before.
B. Stop wherever you fancy and know you'll always find something amazing to see, do or eat.
C. Burn up gallons of petrol speeding along an autobahn.

I am a natural Lusophile and would like to know more about the following areas: Lisbon and Estoril Northern Costa da Prata Algarve Madeira Azores

Name: _____
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PORTUGAL

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PORTUGAL

Economic situation and prospects

THE PORTUGUESE economic situation recorded a certain deterioration in 1981, reflected in a worsening of the external current account and in the virtual stagnation of output. This development was mainly due to adverse exogenous factors. Portugal had to face the international recession, the soaring of the dollar and of international interest rates on top of the worse drought of the past 50 years.

Industrial production was particularly hit by the external recession (Portuguese exports represent about 28% of GDP, and most of them come from the industrial sector). Agriculture and electric production were severely affected by the drought, with a direct impact on the trade balance. Large quantities of food had to be imported in order to compensate for falling domestic output, as well as additional fuel supplies to match the need for increased thermoelectric production called for by falling hydro-electric production. However, the most important cause for the external deterioration was the fall of exports, hit by international recession aggravated by increased protectionism, particularly against textiles.

The worsening of our external account led to a reordering of policy priorities. In fact, the control of inflation had been the top priority in 1980, in face of the dramatic improvement in the external accounts during 1978-79. The inflation rate was brought down from 24.2% in 1979 to 16.6% in 1980. In 1981, the external constraint recovered its weight, leading the Government to adopt a policy package which will hopefully improve the situation in the current year.

As far as monetary policy is concerned, the main decisions were to raise interest rates and legal reserve requirements and to enforce more strictly the rationing of credit. The rise in the reserve-deposits ratio (from 7% to 10%) aimed at mopping up part of the excess bank liquidity which led banks to exceed the credit ceilings. The latter are the key instrument of monetary control in Portugal since 1978. The rise in lending rates was combined with a tightening of credit policy, in order to reduce credit demand and thus moderate domestic demand. Finally, the increase in deposit rates was intended to encourage domestic savings and to adjust to the widespread increase in international interest rates.

Fiscal policy was also set in motion to contain public consumption in the second half of 1981, and the budget for 1982 was approved in time to allow it to become effective since the beginning of the fiscal year — which happens for the first time since 1977. The budget is clearly designed to reduce the public current deficit.

Wage guidelines are also bound to play an important role in 1982. The Government intends to undertake economic sanctions against firms that increase wages beyond pre-specified rates.

Energy prices were adjusted in December 1981, aiming at reducing consumption.

On the basis of the measures already undertaken or projected, the Plan for 1982 foresees an improvement in our economic performance. It assumes, of course, that the extremely adverse exogenous conditions of 1981 won't repeat themselves. Thus, the Plan forecasts a certain recovery of exports, which will benefit from the contribution of products from the new petrochemical complex of Sines. As for imports, a slight deceleration is expected, as a consequence of better crops and of presumable stock increases in 1981. Capital formation is expected to be again the most dynamic component of domestic demand, with a growth rate of 6%, close to the estimated figure for last year.

The Plan also adopts a longer run perspective, to be combined with the stabilizing policies. The following examples illustrate this point: the presentation of the National Energy Plan is envisaged; efforts towards diversification of external markets, which already produced some results in 1981, will be continued; the rapid conclusion of investments now underway in public firms and the implementation of small investments aimed at rapidly increasing output or at removing bottlenecks in the activity of firms will be pursued; a careful scrutiny of projects conducive to the expansion of investment, particularly in the exporting sector, and to modernization of agriculture, will be the basis for granting preferential credit.

Nevertheless, the solution for our short term and long term economic problems, depends, to a larger extent than in more developed countries, on the international environment. The signs of a recovery in the world economy, however slight, put a note of optimism in the Portuguese economic outlook for 1982. Portugal is also counting on the contribution of foreign direct investment for the modernization of the economy. Portugal stands up as an attractive and safe place for that purpose. However, the reduction of protectionism is a vital element in the strategy for economic recovery, and a claim we have to keep in the conversations we are holding with our trade partners of the European Economic Community.

BANCO DE PORTUGAL

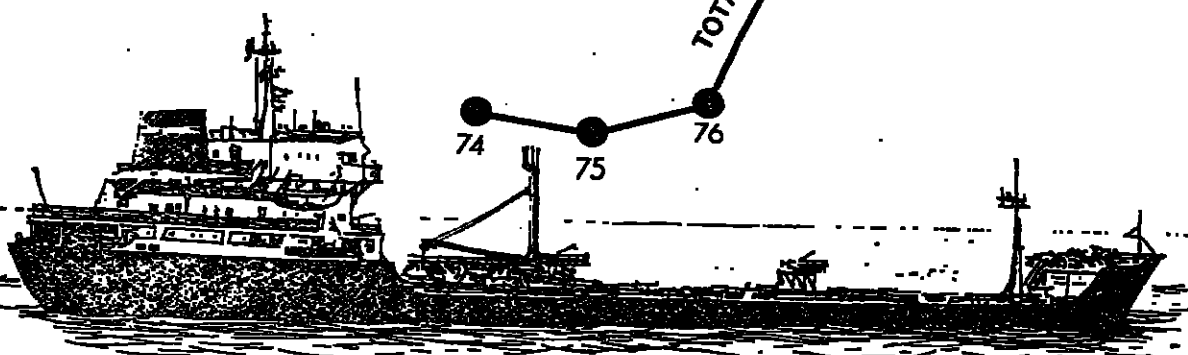
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PORTUGAL

DEFENCE

Iberian joint command versus history

The Portuguese Government has publicly promised it will do everything in its power to see that Spain's application to join the North Atlantic Treaty Organization this year is quickly ratified by Parliament. But it remains deeply preoccupied about the effects for Portugal's national interests of the integration of its more powerful Iberian partner into the Western defence alliance.

Negotiations over the delineation of the existing Nato commands to take care of Spain's future role have yet to start in Brussels but they will have to take extreme care of Portuguese historic sensitivities. The Portuguese do not want a single soldier, sailor, or even airman of theirs under any Spanish commanders. This remains the message to Nato's Brussels headquarters even after a series of attempts by the United States and Spain to give Lisbon guarantees and assurances through diplomatic channels.

The Nato issue has been complicated by suspicion between Madrid and Lisbon over the Portuguese Government's latest campaign, started with the Prime Minister's visit to Brussels last month, to join the European Community by January 1, 1984, regardless of what happens about Spanish entry. The poor personal relations between the two countries' Prime Ministers, Senhor Francisco Pinto Balsemão and Senhor Leopoldo Calvo Sotelo, in spite of two carefully-arranged meetings within a few months, do not help.

While a joint air command would make obvious defence sense to Nato, and could perhaps be a long-term goal, the pressing issues are the present Iberian command, based on Oeiras, just outside Lisbon, and responsible to Norfolk, Virginia, and the probable creation of a Spanish-officer new command under Nato stretching from the Canaries, through the straits of Gibraltar, to the Balearics.

From next September Nato has agreed to a Portuguese admiral taking over from the first time from an American

Cabinet deciding to seek Parliamentary approval last autumn to apply to join Nato, Professor Freitas do Amaral, Portugal's Defence Minister, rejected the speculation which had surfaced in Madrid of a unified Iberian land commander under Spanish commanders. He spoke of "safeguarding Portugal's national independence."

Senhor Mario Soares, the Opposition leader and former Socialist Prime Minister, subsequently took an equally firm line over a land command, referring identically to respecting Portugal's independence.

The Defence Minister argued that Portugal's essential role under Nato lay in the Atlantic, whereas Spain's was towards the Mediterranean and Central Europe. He proposed creating for the peninsula two completely distinct geostrategic zones.

But in fact Portugal has to accept that Spain has an Atlantic role as well, based on the Canary Islands, even if Lisbon tries simply to ignore Spain's naval stations at El Ferrol and Cadiz.

A joint air command would make obvious defence sense to Nato, and could perhaps be a long-term goal, the pressing issues are the present Iberian command, based on Oeiras, just outside Lisbon, and responsible to Norfolk, Virginia, and the probable creation of a Spanish-officer new command under Nato stretching from the Canaries, through the straits of Gibraltar, to the Balearics.

From next September Nato has agreed to a Portuguese admiral taking over from the first time from an American

at Iberiant. But this Atlantic command does not at present include Portugal's Azores, where the Americans have one of their vital defence staging posts, the Lajes base. Its significance has grown over the years and the United States Navy is about to expand facilities there considerably.

In Portuguese eyes it would be politically impossible for Nato to accord Spain a major defence role in the alliance from the Canaries to the Balearics without including the Azores in the Iberian command.

As Spain draws politically closer to Nato, as in the Nato countries' top level consultations over Poland at the European Security Review conference in Madrid earlier this month, every step is watched hawk-eyed by the Portuguese. Mr. Alexander Haig, the United States Secretary of State, had, after attending the Madrid conference, to visit Lisbon to enable the Portuguese to repeat demands for guarantees on their Nato role in exchange for continued bilateral use of important defence facilities.

Portugal's other important contribution to Western interests, combating Communist penetration, lies through its links with Africa, especially its two major former colonies, Mozambique and Angola. President Eanes, accompanied by Senhor Andre Goncalves Pereira, the Foreign Minister, paid a state visit to Maputo (formerly Lourenço Marques) in November, an act of reconciliation with the Frelimo regime six years after independence as significant as

the one paid on a similar errand by President Mitterrand to Algeria.

The Portuguese President got an enthusiastic popular welcome. He laid a wreath on the tomb of the revolutionary heroes and visited the Cabora Bassa hydro electric scheme, near Tete, begun before the 1974 revolution, never nationalized, and with 80 per cent of the capital still Portuguese. With him went representatives of about 30 Portuguese concerns who found an almost desperate desire for development assistance and for the return skills withdrawn precipitately at independence.

Portugal's own weak economic performance means, however, that its trade is less important in the Portuguese-speaking former colonies than Brazil's.

The continued war in Angola, with South African and Soviet-backed Cuban involvement, makes a similar Portuguese mediating role less easy. At his new year meeting in Lisbon with diplomats, President Eanes emphasized Portugal's view that Namibia must first achieve its independence before there can be peace in southern Africa. Portugal's inability to do anything about the wretched fate of East Timor, invaded by the Indonesian Army and incorporated subsequently, was emphasized by the revelations of last autumn, damaging the reputations in the history of decolonization process of both politicians and soldiers. Officially Portugal still seeks self-determination for the people of East Timor.

Richard Wigg

TOURISM

Faithful return despite recession

For the Portuguese economy tourism becomes more important every year, and first figures available for 1981 show that the total of all visitors entering the country reached 7,277,000, an increase of more than 4 per cent. The number of those who stayed at least one night increased by 8.7 per cent and the total of "bed nights", as hotel occupancy is registered, reached nearly 29,500,000 — a 4.7 per cent increase.

In view of general world recession the Portuguese have good reason to be happy for revenue from tourism accounts for between 5 per cent and 6 per cent of the gnp. The highest foreign currency revenue is from remittances by emigrants living abroad, which on average is more than twice the tourism total. Details of the latter are not yet published for last year, but in 1980 the Central Bank received a total of \$1,148m.

The tourist industry and its ancillary activities are estimated to give employment to between 200,000 and 250,000 people, but there is also further profit from tourist spending, for example in shops and restaurants.

Senhor Manuel da Rocha, director of planning and research at the Portuguese National Tourist Office in Lisbon, said: "We cannot calculate average spending by each nationality, but only learn from the bank the amount of currency which is exchanged."

To help their analysis the Tourist Office made a sample survey by heading short questionnaires every four days to visitors arriving at all customs points. Since last September they have also used a market research firm to interview tourists at borders and in hotels for their views on holidays in Portugal and how they spend their money.

The most valuable market is represented by the Spaniards. The total of those who entered Portugal in 1981 rose by 3.5 per cent to 5,200,000, but this figure includes many excursionists.

"We get every kind of visitor, from the most modest family parties to the very rich who stay in our five-star hotels", said Senhor da Rocha. The total of the Spaniards who used hotels in 1981 reached more than 1,200,000, and was up over 11 per cent on 1980. But statistics giving particular pleasure to the Portuguese show that 548,000 British visitors entered the country in 1981, an increase of 13 per cent over 1980. Of these, 425,000 stayed in hotels, nearly 15 per cent more than in 1980. "Of course, your pound is very strong against our escudo, which is a great attraction to British visitors", says Senhor da Rocha.

The majority of Britons show first preference for the balmy climate with most going to the Algarve, which has the largest concentration of hotels, villas and apartments. Next preference is for Madeira, then the coastal resorts around Lisbon, with a small minority going to the northern Costa Verde.



Evora, in the Alentejo, has a fine pousada, one of the government-owned hotels and inns which are an attraction for travellers in Portugal.

The importance of the British market was emphasized by Senhor Mario Felix, public relations director of Air Portugal, the national airline. "From this Spring we shall operate a record number of 24 flights a week from Britain, and will inaugurate the first Oporto-Manchester route."

For many years, and justifiably, at the absence of duty-free shops in all Portuguese airports except Lisbon, will be glad to hear that plans are advanced for them to open first at Oporto, then Faro in the Algarve and Madeira. Unfortunately the opening of these shops is not within the airline's control", said Senhor Felix.

The director-general of the Portuguese National Tourist Office in Lisbon, Senhor Cristiano da Freitas, told me: "We feel very good about prospects and expect at least a 7 per cent increase in tourism this year, and our hoteliers on the whole seem happy." The Portuguese plan to tap new markets by opening an office soon in South Africa and possibly another in Japan. With a total of 160,000 hotel beds (including 11,000 in Madeira) their eventual target is a further 25,000 beds by 1986.

"Obviously we cannot, and do not wish to, compete with Spain. They have three million beds, or look to the cheaper end of the market." After the British, West Germans are the next most important tourist nationality, numbering more than 300,000 last year, which showed a small increase. Obviously the Germans take their recession more seriously than the more impoverished Britons. Hoteliers often observe that they are normally less generous

spenders too, especially in the bar. The United States comes next in the league and their total of over 141,000 showed an increase of 4.6 per cent.

Britons who are faithful and regular visitors to the Algarve are often distressed about haphazard development, too many multi-storey apartment blocks, and the failure of public services, especially water supply, sewerage and roads to keep pace with it. Senhor da Freitas, appeared very optimistic about a new government aid plan to deal with these problems, saying: "There are 70 projects on this subject on the books." On uncontrolled development, he pointed out that permission for construction of holiday apartments, unlike hotels, which must be government approved, is in the hands of local authorities, and there is so much demand for this kind of accommodation that they may permit any profitable enterprises.

New accent on sport

Among new promotional campaigns by the Portuguese is the curiously-named "Sportugal", which aims to attract both the highly-profitable conference market and tourists to enjoy the wide range of sporting facilities available, especially in the mild winters. Golf comes first; there are 10 world-class courses, the best being near Lisbon and in the Algarve.

Apart from tennis, sailing, river or deep-sea fishing and riding, either in the mountains or on the long sandy

beaches, they will offer wild boar hunting in the mountains of the north. One of the newest tour operators on the British market is Caravela, a subsidiary of Air Portugal whose first winter programme includes tours to the pousadas — government-owned hotels and inns, often in beautifully converted castles, palaces or monasteries and often far off the main tourist track. They start from as little as £115 including the flight, accommodation and car hire for three days, based in the north, to about £260 for 13 nights in the south.

In Madeira I talked to the retiring head of the local tourist board, Senhor Jose Ribeiro de Andrade. "We had a phenomenal rise in the number of British tourists in the last few years with a record increase of about 20 per cent in 1980, and we are rather sad that this dropped by 16 per cent last year." Analysing it, he said: "Apart from the obvious effects of your recession we think our image in Britain needs changing—many people expect to find Madeira full of retired colonels and elderly widows, which is not so, for of course many of our very old regular clients are dying off." So the Madeirans have launched a vigorous advertising campaign in Britain to extol more exciting holidays than the sunbathing might expect with deep-sea fishing and mountaineering among the attractions.

I understand that the long-awaited extension to the runway at Madeira's airport is likely to be under way by the end of this year. This will take the wide-bodied jets which have been unable to land there.

Joyce Rackham

PORTUGAL

SOCIETY

Choppy going as revolution moves out of backwater

Portugal's political revolution of 1974 has been followed by a slowly evolving social revolution the effects of which are proving even more profound than the political ones.

Portugal had long drenched in the social and economic backwaters of European development. Many of its rural areas had no electricity, running water, roads, or medical services. Workers were poorly paid and were denied the right to do anything about it by forming genuine trade unions. Women had few legal rights. The vast majority of the population had no access to the vote to defend their interests. Censorship was strict in the news media and the arts. Social benefits were miserly. Only a few could afford an education. Millions of workers emigrated to northern Europe and Africa for jobs.

In today's changing Portugal rural isolation is diminishing. Television has let in the outside world. With more money in their pockets, farmers are more and more inclined to travel outside their villages. But, at the same time, this outlook has made the young people seek a better life outside their villages. They crowd into the big cities of Lisbon and Oporto looking for jobs, but jobs are scarce. Often they are forced to turn to petty crime or prostitution.

Worker's wages on the whole have risen by over 300 per cent in the past eight years. They are joined now in strong unions which, through strikes, have forced owners to meet their demands. New labour laws say they cannot be fired. Some workers are actually running factories they took over from owners. But in spite of their higher salaries, their buying power has diminished. A steady 25 per cent inflation has eroded their benefits.

The rise of the dollar has nearly wrecked the economy. The cost of living has skyrocketed. One pound of beef costs five times its price in pre-revolutionary Portugal. Potatoes and other vegetables cost ten times what they did. There are sometimes shortages of staples like milk, making housewives stand in long queues to buy.

Constant strikes and other labour agitation has brought down production and frightened away potential investors,

which has contributed to unemployment.

Under Portugal's new constitution women have equal rights. All professions, including that of judge, have been opened to them. They are to receive equal work. Divorce has been made easy. In practice things have not really changed very much — especially in the countryside. Man still gets the best jobs and is master in the home. Wife beating is still a common phenomenon. Women — along with young people seeking their first jobs — have the greatest number of unemployed. The tight family structure that existed has somewhat broken down. The number of divorces has increased spectacularly.

When the right to vote was extended to everyone, including 18-year-olds, and political parties were formed, there was general rejoicing at the new found freedom and hope that the elected government would bring about an economic and social miracle. However, eight years and 14 governments later, disillusionment with politics and politicians has set in. A large segment of the population has become apathetic or highly critical of the system — a condition which is disturbing to those who want to see a lasting democratic system survive in Portugal.

A surge of creativity

After censorship was lifted, there followed a surge of creativity. Many new experimental theatres opened, and newspapers and magazines of every political and artistic tendency found their way onto the stands. At the same time, the new freedom brought in a wave of previously banned films and pornography. A new mentality was created. People felt they were free to do what they liked. Senhor João Vaz Serra da Moura, secretary of state in the Ministry for the Quality of Life said: "It changed the life of the people; it is a new morality".

After the revolution, the police were forced to be less repressive, and the secret police were disbanded. This in itself was good, but it had the effect of leaving the country vulnerable. International drug rings have used Portugal as a clearing house for drugs. The use of drugs

— even in schools and country districts — has become a problem. The police also have had to contend with a rise in violent crime, largely related to the great number of weapons distributed during the Revolution or brought back from the African wars. Lisbon and its suburbs are no longer the safe places they were a few years ago.

After the Revolution, masses of people flocked to get an education. The number of students rose from 200,000 to 1,200,000. The schools could not hold them all. For example, a secondary school in the working class suburb of Amadora near Lisbon was built for 1,200. It now has 20,000 enrolled. The students attend in shifts between seven in the morning and midnight. Text books are scarce, teachers are often absent and classes are held in halls, libraries and any other available space. Students spend their free periods in the street.

Discipline has broken down because of this and because the authoritarian system has been abandoned. Schools are now run by commissions of students, teachers and administrators. "There are problems, but they are being overcome. It is an education in democracy", one teacher said.

For the first time in its history Lisbon University has had to institute a rigid selection policy because of the high number of applicants. New universities have been opened in the provinces and new schools are being built with money from the Council of Europe. It has been a problem, however, to get competent teachers to go into the hinterland. Standards have had to be lowered.

Housing is the greatest shortage. People have no money to build their own homes as the Government has none to build them for them. However, the Government is making an effort to solve the shortage. Senhor Vaz Serra da Moura said: "We are trying to get private constructors to build for rental. All houses belonging to the state are being sold cheap to farmers and the proceeds used to build new houses."

The lack of housing is causing social problems and causing more and more shanty towns to grow up around the cities. There is a

large concentration of people in the overcrowded cities on the coast, so the Government is launching a campaign to develop the interior of the country to lure them back inland.

Portugal's hospitals are old, ill-equipped and overcrowded. Until recently there were few medical facilities outside the cities. Portugal ranks with Greece and Turkey in health and infant mortality rates. Two new hospitals are due to be built in Lisbon by 1984, and many small ones have been built around the country, but they are standing empty because of a lack of doctors. Portugal has the same ratio of doctors in the population as the rest of Europe, but they do not want to leave Lisbon and Oporto.

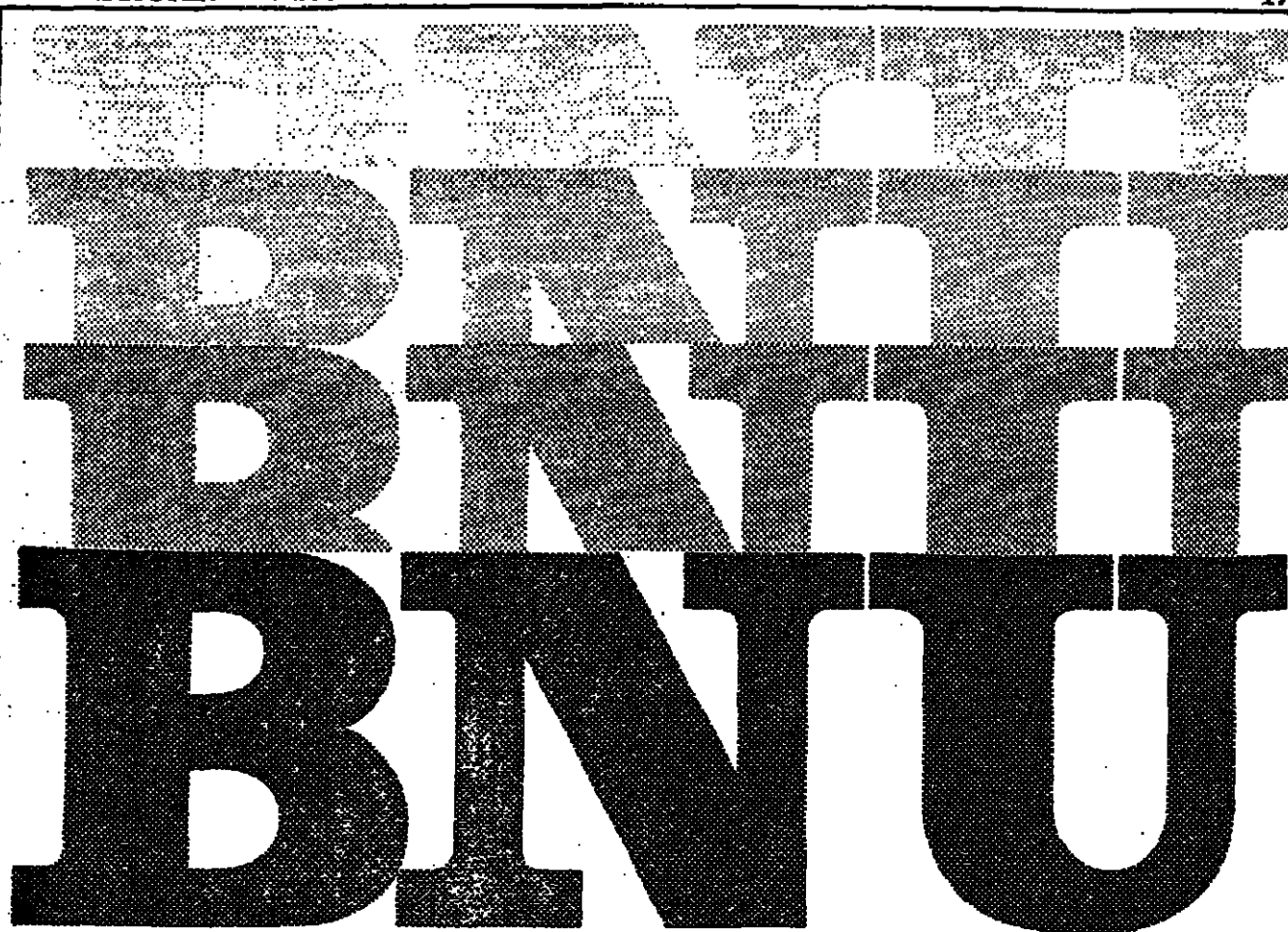
Big untaxed incomes

Government doctors are very poorly paid, but some in private practice have fabulous incomes — mostly untaxed. The public health system is a shambles and is racked by corruption. For every two active workers there is one retired or an invalid. A government doctor said the ratio everywhere else was six to one. These "invalids" collect from the Government and go on working. Recent regulations have been enacted to stop the abuses, but have brought strong protests from patients and from pharmaceutical companies which also benefit from present practices.

Another factor which has had a strong social impact was the return of nearly one million people from Portugal's former African territories. Besides the returning Portuguese there were people of many races and cultures, who have brought new life styles. There are Indian shops, restaurants, hamburger houses, and many new small and medium-sized industries. Small African villages have grown up around Lisbon.

According to statistics, Portugal is very poor, and unemployment is very high, but the figures are somewhat deceptive. There is an "underground economy" providing plenty of money for a stratum of the population.

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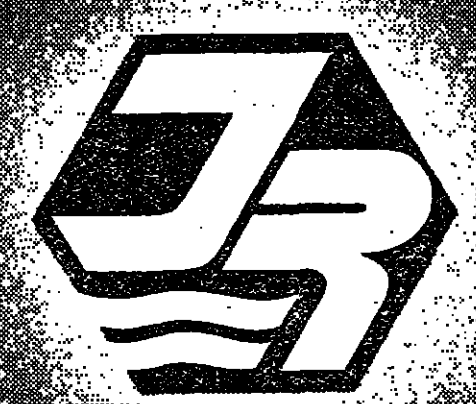
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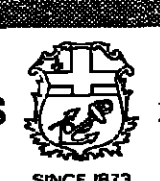
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WOMEN The male-dominated bastions fall

President Ramalho Eanes of Portugal opens his speeches to the nation with the words: "Portugueses... Portuguesas" — Men of Portugal, women of Portugal. He is aware of the increasing importance of Portuguese women in the life of their country and its public affairs. His wife, Dona Manuela, plays a prominent part in public life, not only in the obviously presidential charity activities, but in specific aid to her husband in his public duties.

It was calculated that in the last Portuguese general election in 1979 about 52 per cent of the votes came from women out of a total of about seven million voters. Yes, women are now an openly powerful influence in Portuguese life. They have stormed the professions. They wield considerable influence in politics, and have broken down the barriers of the male-dominated areas of public life. Senhora Maria de Lourdes Pintassilgo became Portugal's first woman prime minister and another barrier fell. In this century, among other outstanding professional pioneers has been the internationally famous bull fighter Conchita Cintron, who combined womanly grace with outstanding toughness in the arena. Later she became a happy wife and mother.

An important labour-oversight organization here, the Commission for Equality in Labour and Employment, recently issued an explanatory pamphlet on the 1979 law of equality for women in the labour market. It is entitled "women's rights to equality in work and employment". The pamphlet emphasizes the September, 1979 law on equality in work between men and women, which was designed to protect women from discrimination in employment on the grounds of their sex and guaranteed them access to the law courts and protection from sanctions if they took their cases to the courts. The commission defines the areas of discrimination training, salaries, promotion, general working conditions and proper knowledge of their legal labour rights. It also defines as illegal any refusal to employ a woman before she is married or has children, or to dismiss her if she becomes pregnant. The only employment which she may rightfully be refused is, according to the commission, "that by which her genetic function as a woman may be affected". The commission is formed of five government representatives, two of whom are

chosen from the Ministry of Labour and two from the Women's Rights Commission, with three trade union representatives and three representing the employers.

There are 22 women members in Portugal's present Chamber of Deputies and, shades of Dr Salazar, Senhora Lourdes Pintassilgo proved to be a lively and industrious figure as one of his later successors as prime minister. Of the women MPs eight belong to the governing Social Democratic Party of Prime Minister, Senhor Pinto Balsemão. The Communist Party also has eight women MPs, but the Socialists and Christian Democrats have only two women members.


The Portuguese National Assembly has a Parliamentary Commission on the Status of Women, but this is considered by feminists to be somewhat inactive. The same thing may be said from the feminist point of view of Portugal's county councils, for out of 305 only four of them have women presidents, and there are only six women judges in the country out of a total of 515.

In 1911 a widowed woman doctor, the head of her family, turned up at the polls and voted. Her claim was that by law only the head of the family could vote and she was the head of the family. The law was then changed emphasizing that this applied only to the male sex. A woman head of the family still could not vote. In 1931, however, women with higher or secondary education were legally allowed to vote, while all males who were of voting age could do so. Last October the Portuguese Parliament passed the latest law against sex discrimination dealing with naturalization of children born both in or outside marriage.

All these improvements do not, of course, mean that the women of Portugal have total equality with men all over the land. The first battle has been won however, and women's education has been improved in concept, fitting them for the wider role the modern woman must play.


The fighting team for women's rights today is basically the Commission for Equality in Work and Employment, and it provides the quiet and efficient spade work to uproot the traditional male outlook on women's role in the civilization of this century.

Jose Shercliff



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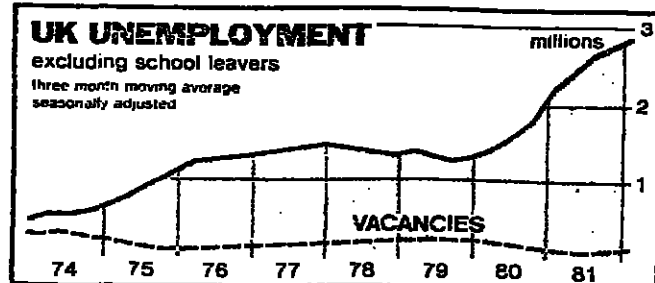


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BUSINESS NEWS

Underlying increase



The underlying level of unemployment went up by just over 7,000 in February, the smallest increase since November 1979. But job vacancies, usually regarded as the most sensitive indicator of the labour market, show no signs of picking up. Only about a third of all jobs available are notified to employment exchanges, but there are 10 people without work for every job available.

Third reading for Bill

The Lloyd's Bill to reform the London insurance market now has to have its third reading in the Commons after passing through the Report stage on Monday. Amendments to the so-called immunity clause were defeated.

Cast has 'more offers'

Mr Frank Narby, chief of the Cast shipping group, said that "further offers" have emerged for the assets of the beleaguered shipping line. Last Friday he announced that a number of serious approaches had been received. US Lines and Thomas National Transport were among those reported to be considering a purchase. Yesterday Mr Narby said that it was "not only possible but likely" that the assets would be sold to more than one party.

Fight for ACC may go to trial

Arrangements agreed in the Appeal Court on Monday to bring finality to the legal battle in the takeover war for Lord Grade's old group, ACC, were put in jeopardy yesterday. The three Appeal judges hearing the case, in which Gerald Ronson's Heron Corporation and other ACC shareholders are being seeking to block Mr Robert Holmes a Court's £36m takeover of ACC, granted a short adjournment for both sides to reconsider their position. Lord Justice Lawton said the "stark reality" was that the case might have to go to a full trial after all.

Shipping order

Shipyards on Humberside and Tyneside have beaten off strong competition to win orders for two 1,000-tonne anchor handling supply vessels from Zapata Offshore Services of Great Yarmouth. The contract is thought to be worth £7m.

MARKET SUMMARY

13 point slump surprise

LONDON EXCHANGE

FT Index 659.0 down 9.2
FT 100 66.80 down 0.34
All share 324.67 down 3.31
Bargains 21.567

The 13 point slump on Wall Street overnight came as an unwelcome surprise to the market after the previous day's gains, and both equities and gilts drifted lower, with the FT Index at the close down 9.2 at 659.0.

Falls in leading shares ranged from 2p to 8p with ICI shedding 4p to 332p reflecting adverse comment after the Belfast figures. But against the market trend Plessey put on 1p to 365p ahead of Thursday's third quarter figures.

Gilts had a quieter day with profit taking clipping 2% from long dates and 2% from medium. Shorts opened at 115p, showing the underlying strength of the market. Elsewhere there were lines of

Electricals had GEC at 827p and Thorn EMI 475p both shedding 10p. The insurance sector was one of the few bright spots, stimulated by Commercial Union, up 12p at 144p after much better than expected profits but a 20 per cent earnings rise failed to help Natwest which slipped 7p to 473p.

Engineering group Dowty shed 1p to 110p after a 5m share in two lots were placed in the market at 115p, showing the underlying strength of the market. Elsewhere there were lines of

But a three months price of £7.75, down £95, meant the backwardation which has been a persistent feature of the market is still over £400 a tonne. Trading was characterized by heavy borrowing, one company borrowing 2,000 tonnes of metal.

Board meetings: Half-yearly: BPM Holdings, British Assets, Crossfields Trust, Elico Holdings, Harrison's Malaysian Estates, Johnson Matthey (9 months), Wedgwood (39 week figures), Flaxie: Carrington Wythe, Child Health Research Investment, Hoover, Marchwell, Moorside Trust, NCR, Rights and Issues Investment Trust.

COMMODITIES

Cash tin prices dived by £440 a tonne yesterday to £8.15 as the buyer who has recently been so influential in the market suspended operations. Recent physical shipments also eased the pressure.

TIN

London close 1.15 to 1.55 as the market closed near the day's lows.

CASH

3-MONTH

JAN FEB

But a three months price of £7.75, down £95, meant the backwardation which has been a persistent feature of the market is still over £400 a tonne. Trading was characterized by heavy borrowing, one company borrowing 2,000 tonnes of metal.

Other exchanges

Tokyo: Nikkei Dow Jones index 7,714.56 down 43.0

Hongkong: Hang Seng index 1,255.33 down 21.69

CURRENCIES

The dollar rose sharply following yesterday's remarks by the Fed chairman reiterating the need for tight money policies. The pound closed near the day's lows.

LONDON CLOSE

Sterling \$1.8316 down 175 points

Index 91.2 down 0.2

DM 4.3450

Fr 11.0450

Yen 428.00

Dollar index 112.5 up 0.8

DM 2.3725 up 240 pts

Gold \$351.50 down \$4

FOREIGN MARKETS

Rates were steadier. The Bank bought £145m of bills outright and £422m for repurchase by the houses on Thursday. The forecast shortage was finally put at £600m.

Domestic rates: Base rates 14% 3-month interbank 14% 14% 14% 3-month dollar 14% 14% 14% 3-month DM 10% 10% 10% 3-month Fr 15% 15% 15%

TODAY

Board meetings: Half-yearly: BPM Holdings, British Assets, Crossfields Trust, Elico Holdings, Harrison's Malaysian Estates, Johnson Matthey (9 months), Wedgwood (39 week figures), Flaxie: Carrington Wythe, Child Health Research Investment, Hoover, Marchwell, Moorside Trust, NCR, Rights and Issues Investment Trust.

Rolls seeks state aid for joint engine project

By Peter Hill, Industrial Editor

Requests for a substantial injection of Government funds to support the development of a new aircraft engine are expected to be made within the next few months by Rolls-Royce, the state-owned aero-engine builder. R-R is hopeful of reaching agreement by the end of next month with either Pratt and Whitney or General Electric, its principal American rivals, to participate in the joint venture which the British company has established with three large Japanese groups for the development of the RJ 500 engine.

This fuel-efficient engine, on which the existing partners have already spent £40m, is designed to power the aircraft industry's planned 150-seat airliner.

Testing of the first of the RJ 500 engines has now begun. The Japanese partners will be testing their first engine in the next few weeks. The size of the funds to be sought from the Government will turn on whether or not there is American involvement and also on agreement on the shares which each of the partners will hold in the consortium. Funds, if provided will take the form of launching aid, on which R-R will pay royalties to the Government from future sales.

Mr Kenneth Cork, senior partner in Cork, Gully & Co, has rejoined the board of the Ladbroke Group as a non-executive director. He resigned in 1978 following his election as Lord Mayor of London.

The Stock Market flotation of Fleet Holdings — the publishing interests of Trafalgar House which includes Express Newspapers — as a separate company has been delayed for at least three weeks. The delay is said to have been caused by "technical difficulties".

The Government is to draw up a new list of approved microcomputer suppliers this year. The chosen companies will share out a market that is worth £10m a year already, and expanding rapidly.

The Lee Cooper Group is to close its manufacturing plant at Harold Hill, Essex, and its Brentwood pressing plant by May 7, making 239 redundant, of whom 30 per cent are part-time.

Volcker warning as US prime rates slip

By John Whitmore

Most leading United States banks cut their prime lending rates from 17 to 16½ per cent yesterday. But at the same time Federal Reserve chairman Mr Paul Volcker urged caution over this week's sharp drop in money market interest rates and once again warned of potential problems ahead.

Mr Volcker told the Congressional Ways and Means Committee that appropriate restraint on the expansion of money and credit continued to be fundamental to restoring price stability.

Although he felt the improving trend in price inflation meant that the present year monetary targets could accommodate a business recovery later this year, he reiterated the need for reducing the Federal deficit in 1983.

He warned that the Federal deficit could reach \$150,000m in 1983, more than 50 per cent higher than the Administration has predicted.

On the short term situation, Mr Volcker said he would not over-interpret one week's money supply figures. These had showed a larger than expected fall when announced last Friday.

The City was inclined to take a similar view yesterday. After Monday's euphoria, encouraged by the Bank of England's reduction in its money market intervention rates, markets decided to pause for breath.

Although the Bank has been pointing the way to further cut in the general level of interest rates, it remains to be seen whether the commercial banks are prepared to move until they have seen a further set of United States money supply figures.

Domestic money markets should show an easier trend over the next couple of days as funds start to flow back into the system from the repayment of funds to un-

successful applicants for the Amersham International issue. While the expectation remains that base rates may well be cut to 13½ per cent during the next few days, there is also a feeling that the authorities will not want to see interest rates falling any further just yet.

In particular, the authorities will be watching the performance of sterling. Yesterday, the pound fell 1½ pence to \$1.8315 and its index against a basket of currencies by 0.2 to 91.2. The lower end reflects both the fall in United Kingdom interest rates and the continuing weakness of the oil price.

Markets will be particularly keen to see how other European countries pursue their interest rates now that the EMS realignment is out of the way. Government securities lost up to 75p of their £2 plus gains of Monday as profit-takers stepped in. Equities lost ground in sympathy with Wall Street, the FT index closing 9.2 lower at 659.

Economists oppose

reflation call

The Government should stick to its monetarist guns and resist the temptation to reflate the economy, say economists at the City University Banking Centre

JOINT VENTURES

Existing aero-engine link-ups include: Rolls-Royce joint venture with Ishikawajima-Harima Heavy Industries and Kawasaki Heavy Industries on the RJ-500.

General Electric collaborative deal with France's Snecma for development of CFM-56 engine for 150-seater.

Rolls-Royce, Motoren und Turbinen Union of West Germany and Fiat Aviazione of Italy engaged in collaborative development of RB-199 for Tornado multi-role combat aircraft.

The new engine could be fitted to the proposed new A 320 manufactured by Airbus Industrie in which British Aerospace has a 20 per cent stake. Another likely customer is America's Boeing, expected to launch a rival to the A 320.

It is Rolls-Royce's belief that multinational joint ventures are the only way in which the engine builders can surmount the enormous costs involved. A new civil engine development programme is likely to cost about £1,100m.

Mr Ralph Robbins, R-R's commercial director, said of the talks with the two American companies yesterday: "Negotiations are continuing. The object is to achieve a situation where by the end of March, we have taken a decision to introduce a third partner".

He continued: "With new engine development costs of between \$1,500m and \$2,000m it is getting beyond the resources of a single manufacturer to take on a new programme on its own".

R-R, in its long-term forecasts, hopes to secure orders for an estimated 5,000 engines over the next 25 years for the RJ 500 series and its family of RB 211 designs.

Mr Norman Lamont, Minister for Industry will later today be questioned by the Select Committee on Industry and Trade about the financing of R-R, which was taken into state ownership 11 years ago following its collapse.

After four years of losses and a £50m cash injection from the Government last year, the company is forecasting a profit next year. It has shed 6,000 jobs over the past 15 months and is planning a similar further reduction, mainly through voluntary redundancy, during 1982.

Official world oil prices are likely to fall even if Saudi Arabia bows to pressure from its fellow members of the Organisation of Petroleum Exporting Countries and cuts back its production, some international oil companies now believe.

Sources close to Aramco, the consortium of four American oil majors which lifts nearly all Saudi Arabian crude production, said yesterday that Saudi Arabian output cuts will almost certainly not be enough to defend the official Opec pricing structure — based on a \$34 a barrel benchmark — from being eroded.

Some companies would not be surprised to see the average price of crude oil fall from about \$33 a barrel now to \$28 or even to \$25 a barrel in the face of the present oil glut and persistent downward pressure on oil prices.

There was still no confirmation that the night Opec would be holding an emergency meeting to discuss ways of stopping prices falling, despite pressure from several of the organization's 13 members.

A decision to cut its oil price by another \$2 a barrel in breach of the official Opec price structure was however confirmed by one of its customers, the Italian State-backed oil corporation Agip.

Oil companies expect that British National Oil Corporation will have to concede a further cut in North Sea oil prices when second quarter contracts come up for negotiation in the next two to three weeks. A barrel cut would cost the Government another £400m a year in lost revenue.

BNOC will retain the right to attend North Sea field operating committees after its exploration and production interests are privatized. The Government says this will help BNOC to trade efficiently.

Mr Michael Edwards, the BL chairman, has already made clear his annoyance at the operation of the steel-makers' cartel. He recently told MPs: "We find it incredible that such a course of action should be regarded as a viable road for the long-term recovery of the steel industry, given that it involves a complete suspension of market forces, a collusive agreement to put up prices by upwards of 20 per cent in the car-maker claims not to have so far received any bills at the new prices."

This week, Labour MPs urged the Government to encourage BL to buy British steel. BSC is apparently continuing to increase BL but the car-maker claims not to have so far received any bills at the new prices.

BL last night confirmed that it was discussing with BSC whose chairman, Mr Ian MacGregor, is a former BL board member, the extent of the increases while at the same time seeking to place contracts with producers outside Europe.

A BL spokesman said: "We are very concerned that BSC is pressing for these increases when our other major suppliers have held their prices or are increasing them only marginally."

MacGregor's money search, page 21



Chairman Robin Leigh-Pemberton (seated with chief executive William Benson): Lower bad debts in 1981.

Another bank record as NatWest makes £494m

By Peter Wilson-Smith, Banking Correspondent

National Westminster became the second of the big clearing banks to report record profits for 1981. Yesterday it announced an £84m rise to profits of £494m before tax and a 20 per cent rise in shareholders' dividends to 36p gross.

Last week Lloyds Bank also announced best ever profits, up by a third to £366m, and an even bigger rise in dividends. Although there has been no sign that the Government plans another windfall profits tax, the high profits being reported by the banks are likely to provoke controversy and may influence the outcome of the current round of pay talks.

Yesterday the Federation of London Clearing Banks raised its pay offer to 180,000 clerical staff by 1 per cent to 8½ per cent in response to the original claim of 15 per cent. The federation emphasized that this was its final offer.

Much lower bad debt provisions, particularly in the parent bank, were the main reason for National Westminster's profit rise. Mr

Robin Leigh-Pemberton, chairman, said that recoveries of provisions had been high and companies were surviving the recession better than expected.

A breakdown of profit before loan stock interest showed domestic profits up from £258m to £314m, and the international side up from £155m to £172m. Higher profits from Lombard North Central boosted profits from related services from £32m to £70m. Group net interest income rose by only 9 per cent in 1981, partly reflecting lower interest rates but higher commissions and foreign exchange earnings helped boost non-interest income by 29 per cent.

Grindlays Holdings which owns 51 per cent of Grindlays Bank yesterday reported pretax profits up from £33.5m to £34.6m, and an unchanged dividend. Attributable profits fell from £7.4m to £5.3m, after minor losses and a high tax charge reflecting Grindlays' shortage of United Kingdom earnings.

Despite the recession, skiing specialists have been reporting no slump in demand for holidays. The company also incorporated Encompass Worldwide Holidays and Conference Services, one of Britain's leading international conference organizers.

Commercial Union profits fall

By Ronald Pullen

A tough year for insurance markets has led to a sharp drop in profits at Commercial Union, Britain's second largest composite insurance group.

Pre-tax profits fell 21 per cent to £81.7m despite a sizeable increase in premium income from £1,172m to £1,515m.

The results were rather better than expected after the 26 per cent decline at the nine month stage, and helped by a near 10 per cent rise in the group's dividend to shareholders, the shares gained 11p, rising to 143p.

Insurers generally have had a very difficult year because of the recession, high interest rates and intense competition in insurance markets, and CU has been hit relatively hard because of its growth strategy in the United States, where the competition has been even stiffer.

Overall, CU loss from underwriting insurance business soared from £57.3m to £131.9m, with the United States contributing the largest proportion — £85.6 — of this total.

Elsewhere it was almost as bad, with Canada's underwriting loss doubling to £23m despite an increase in rates of more than 30 per cent. Losses in Britain rose from £2.3m to £5.5, with the bad

weather in December costing CU £5m, and indications so far that the January deficit will be even higher.

The underwriting loss was covered by investment income, which rose 34 per cent to £201m, helped by a move into high interest bonds in the United States.

Mr Jack Emms, the retiring chief general manager of CU, said yesterday that the United States had shown some improvement in the final quarter, particularly in the important workers' compensation lines, but he doubted if the group could continue to go against the market trend in 1982.

The right medicine, page 20

Espley-Tyas

R. A. Shuck (Chairman & Chief Executive)

Pre-tax profits of £2.23m exceed forecast

Highlights from the Chairman's Statement:

- * Our first year as a public company has been eventful with much progress made in the formation and development of the Group and in the achievement of our defined objectives to increase earnings and net asset value.
- * Pre-tax profits at £2,276,000 compare with a forecast of £1.6m.
- * Earnings per share 10.6p.
- * The proposed dividend of 3.3p per share to be paid (inclusive of associated tax credit) would be equivalent, on the basis of a full year, to 5.6p per share.
- * With work in hand and the quality of our secured property projects, we expect an earnings advance during the current year and the future of the Group is viewed with confidence.

Principal activities of the Group — PROPERTY DEVELOPMENT —
PROPERTY INVESTMENT — CONSTRUCTION — through key subsidiaries:
— ESLEY-TYAS PROPERTIES LTD. — ESLEY-TYAS CONSTRUCTION GROUP LTD.
— MANSTON DEVELOPMENT GROUP LTD. — ESLEY-TYAS OVERSEAS LTD.

Copies of the Report & Accounts containing the Chairman's Statement in full and a review of the Group's activities are available from:
J. M. O'Connor, Esq., Espley-Tyas Property Group plc, Elizabeth House, 43, Calthorpe Road, Edgbaston, Birmingham, B15 1TS.

Espley-Tyas Property Group plc



BUSINESS NEWS/FOCUS AND COMMENT

PEOPLE

Girls cut a dash in overalls

There was an unlikely fashion show in Mayfair yesterday when Laurie Quick presented his just Women collection. Quick comes from neither London, Paris or Rome but from Henley-on-Thames, where he is managing director of an industrial clothing hire group called Spring Grove Services.

So far, Quick has specialised in overalls for men. Yesterday, however, he was showing off not only overalls for women but skirts, dresses and tabards for the working girl albeit mostly in shades of that boyish colour, blue.

But even Quick quailed at the idea of designing the clothes himself: for that he called in an all-girl team headed by his main supplier, Heather Ridgeway, managing director of Wessex Textiles in Taunton.

Quick says his market research shows women workers are more likely than men to welcome uniform, since it ironed out that daily problem of what to wear for work.

Hurry! Hurry! Brokers Savory Mills still have a few seats for clients who have nothing better to do on Budget day than attend their teach-in on insurance at the Barber Surgeon's Hall just off London Wall. Apart from ex-Royal Insurance partner Brian Cordery, Savory will field Mark Weinberg of Hambros Life, Mike Brown of the Company Pensions Information Centre, and Tony Ratcliffe of Eagle Star. The first speaker will be on his feet at 10am. Savory is specialising in insurance before anyone else — in 1913 and want once again to be number 1.

Insurance man's double life



Clifford Bowen Jones

For someone who is paid to be both silent and eloquent, Clifford Bowen Jones is enjoying a most valuable success. A part-time professional actor and full-time insurance representative, he has just become the first Briton to win an International Quality Award for outstanding sales success from the American-based Life Insurance Marketing and Research Association.

With business worth about £8m, and more than 3,000 clients, he has written more policies than anyone else in the 111-year history of the Confederation Life Insurance Company.

In his early 60s, CB has also played as surgeon, councillor and other upstanding citizens in television serials such as Muck and Brass and Crossroads. He says: "Appearance and manner count in both jobs..."

Hurd-pressed managers no longer find the time to attend residential courses. But *Life*, the Management College, as it describes itself, has come up with an answer. Using cassettes, video and audio cassettes, the college is launching a home study management training scheme to degree level.



"Believe me Mrs Wilson — I don't like the proposed gas prices either. But showing your final demand out again won't help anyone."

Peter Wainwright

NEW APPOINTMENTS

Mr S. H. Allott has been appointed chief executive of Gresham Life Assurance Society and AMEV Life Assurance with effect from April 1. He will succeed Mr J. S. Leighton who will relinquish his executive duties. Mr Leighton will remain on the boards of both companies.

Mr Roger T. Elmthirst has been appointed deputy managing director of Charterhouse Corporate Investments, which is responsible for the Charterhouse Group's wholly-owned investments.

American action could upset steel industry finances

Will Mr MacGregor come back for more money?

Mr Patrick Jenkin, Secretary of State for Industry, was rather less than bullish earlier this week when he was questioned about the realism of the British Steel Corporation's objective of breaking even by the end of the 1982-83 financial year.

Conservative back-benchers are once again expressing anxiety about the corporation's ability to achieve the objectives set by its chairman, Mr Ian MacGregor (and his controversial transfer payment worth potentially £1.8m will be partially based.) That is to say that Mr MacGregor will be knocking on Mr Jenkin's door asking for yet more money to keep the corporation going.

While Mr Jenkin and his back-bench colleagues may have reservations about BSC's ability to shake off its reputation for being the largest single recipient of state cash, there is a strong belief among the higher echelons of the corporation that the target can be attained.

What is worrying the back-benchers, and by inference Mr Jenkin (who is anxious to reduce the Department of Industry's disbursements to public sector corporations in order to concentrate more on priming the industries of the future) is that as so often in the past the corporation's estimates and forecasts will turn out to be wrong.

It has to be said that under Mr MacGregor's guidance the BSC has made quite dramatic strides. The stunning that was identified by his predecessor, Sir Charles Villiers as vitally necessary, has been carried through to a considerable degree.

The corporation's top heavy structure has been streamlined, management and men have been motivated to a degree which less than three years ago would have been thought impossible. Productivity has risen dramatically — Llanwern is a shining example — and compared with some of the best in Europe — and quality, delivery and confidence have improved out of all recognition. MacGregor was issued with a challenge. He accepted it and the result so far have been very encouraging.

All the improvements have been secured at a time of crisis for the steel industry in Europe. The continent has been completely out of steel and competition for

business has been cut-throat, leading to outrageous price cutting, covertly and sometimes even overtly encouraged through Government subsidies by virtually every EEC member state.

By any standards the performance of the BSC in transforming itself — albeit with massive transfusions from the Exchequer, has been remarkable.

Throughout this critical period Mr MacGregor has said that it is his intention to maintain the present plant configuration and to stabilise capacity at around 14.4m tonnes.

The BSC chairman has continued to exude a cautious optimism that the targets will be met, that when he leaves the corporation — in its slimmed-down form aided by some privatisation — it will be in a much more robust state than when he joined. But being a canny Scot and a shrewd politician, he has been careful in his dealings with Whitehall to

cover all eventualities, or at least most.

When he submitted his corporate plan for 1982-83 last December, he was careful to warn ministers that he would claim the right to modify the forecasts and objectives in the light of changed circumstances. For example that plan was submitted at a time when the American steel companies were threatening to file anti-dumping suits against steel of European steel to the American market.

It was also some weeks in advance of the onset of January's bad weather which cost the corporation about £100m in lost production and before the recent rail strikes.

Mr Jenkin pondered the report against the backdrop of considerable uncertainty as to whether the

round of price increases throughout Europe, co-ordinated by the EEC Commission and due to be introduced at the beginning of this year, would be accepted by consumers.

So far, with some exceptions, and despite a predictable outcry from the steel industry's customers, the new price lists have held up in the market place.

But can the price regime continue to hold and to what extent is it likely to be undermined by the action taken by the Reagan Administration to curb European steel imports? The two are inextricably linked.

Even without all the imponderables and uncertainties there had been a basic disagreement over the funds which the BSC needed for 1982-83. In its anxiety to curb the public sector borrowing requirement, the Government, in its White Paper on public spending, fixed a provisional External Financing Limit (EFL) for the BSC of £350m for the next year.

Despite the improvement in financial performance (first losses in 1981-82 down to £195m pre-tax, compared with a whopping deficit for 1980-81 of £665m), Mr MacGregor's plan was pitching for £70m-£80m above the level. Since then circumstances have indeed changed.

For a start the American steelmakers have filed their legal suits and earlier this month the International Commission (ITC) decided that it would go ahead with 38 out of 92 unfair pricing cases which had been filed against European producers in nine countries. Six of them are against the BSC.

In the financial year which ends next month, the BSC expects to ship between 300,000 and 400,000 tonnes of steel to American customers and the hope for next year was that this year level would be maintained by at least a further 100,000 tonnes. The commission is still locked in a diplomatic battle with the American authorities: it says that it is the EEC's intention to force the USA to stick to the Agreement on Tariffs and Trade involving the steel dispute.

But the effect of the ITC decision to go ahead with its investigations coupled with the price of steel in the weather has Mr MacGregor and his cohorts carrying out

those who left after completing the fifth year, about half are still unemployed.

The fact is that the syllabus at Matthew Murray covering subjects such as how to claim benefit, and how to use "work free" time. Ducie High School, in Manchester's Moss Side, is a mixed comprehensive with about 500 pupils, who do one period a week on careers when they get into the fourth form.

Of last year's leavers, about 10 per cent have found work and another 60 per cent are in further education or Youth Opportunity Schemes. In an area like this where the principal employers — the local authority, construction industry and city centre commerce — are cutting back, the principal problem for the careers teacher is not to educate the children on the choices available, but to convince them that there is any work at all.

Miss Margaret Ogilvy, careers teacher, says: "We started an experiment recently in posting details of jobs supplied by the careers service, on our notice board. At first the children kept coming up to me and asking whether they were real."

"A lot of my job is chivvying people along — getting them to write letters and fill in forms for further education, for example."

While they would advise on the qualifications required for a particular career, and might advise on the area in which it would be sensible to concentrate, none of these teachers was prepared to make a decision. For a significant part in making career decisions themselves.

They acknowledge the technological revolution, notably in an emphasis on the value of mathematics as one of a "core" of essential subjects for the curriculum — but decline to speculate on its implications on the marketability of the children.

However unhelpful this appears in the short term, in the longer run it is probably a wise decision. For one thing technology will change for another the concept of life time's career is vanishing.

What is worrying the Government is that as so often in the past the Corporation's estimate and forecasts will turn out to be wrong.



Mr Ian MacGregor: a canny Scot who keeps his options open

a thorough re-assessment of plans drawn up and submitted to the Government three months ago.

It is already clear that the corporation will be seeking rather more than the disputed £70m to £80m above the provisional EFL when it submits its request within the next few weeks. Above all Mr MacGregor believes that it is vital that the BSC maintains a respectable level of capital investment to ensure quality and efficiency.

But it is the uncertainty over the future of the co-ordinated price movement in Europe which casts a particularly dark shadow over the BSC's hopes and aspirations. On the basis of the assessments made so far, the corporation calculates that American curbs could affect about 20 per cent of its exports to the United States. That is worrying but not fatal.

The much bigger worry is that American curbs could shut out around 2 million tonnes of European steel which would be looking for a market. The fear is that European eyes would once more be directed across the Channel to British customers.

So where does that put the cartel's commitment to co-ordinate price increases under a regime of Commission-imposed quotas on

production? Informally, the members of Eurofer, which effectively form a producers' cartel, have agreed that it will be essential to maintain the club for at least two more years beyond the present expiry date this July. So far the pact does not however have the approval of the state-owned sector of the Italian steel industry.

At the present the Italians are withholding their support. Other EEC steel producers whose national governments may for political reasons decide that it may be judicious to truncate Dumas' Three Musketeers pledge to a more simple "all for one" are committed to a phased programme of removing all steel industry state aids and subventions.

There is edginess in the steel market. There are reports that price-cutting is taking place with one large Eurofer steelmaker alleged to be offering a derivative of wire rod at 20 per cent below the official price.

The price regime remains precariously balanced. If it topples it will throw the market into confusion and it is the market which will largely determine BSC's further progress towards its financial goals.

Peter Hill

Business Editor

Critical days for tin market

Over the next three days we will see whether the steel taken by the authorities of the London Metal Exchange to avert a possible crisis on the tin market have been successful. Traders have been holding their breath as the mysterious buyer stays his hand and allows the cash price to sink. By all accounts, most traders who went short have been able to square their positions.

But for those still suffering from what the market copy calls a technical tightness, the authorities have provided two escape routes. LME members have promised to lend tin to those needing to cover positions, and the indications are that one or two firms have made use of this opportunity. The other safety valve is the £120 premium.

For some shorts it may make sense to pay the premium. If the cash price continues to fall it might be cheaper to pay the premium for a few days and then buy the tin needed to cover themselves. Either way, the authorities appear confident that no embarrassing crashes are in the offing.

Nevertheless, the fundamental questions of who has been buying and why remain unresolved. In one sense the LME's task has been made easier by the buyer's scrupulous adherence to the rules. But by the same token, this has made it harder to flush out the identity or purpose of the operator. Assuming that the next few days pass relatively quietly, the market will still have to convince itself that it is not dominated by a single powerful presence.

Wall Street Looking sick

Share prices on Wall Street are looking decidedly sick. The rate cuts and strong hints from Treasury Secretary Donald Regan that interest rates could touch 13 or 14 per cent within the next two or three months. Why?

The first answer is that investors see themselves as each-way losers. The credibility gap between Wall Street and the White House over control of the federal budget deficit is wider than ever. And that means either that interest rates will bound upwards again sooner or later, or, if the President is eventually forced into further public spending cuts or backtracking on his tax-cutting

policies, that the corporate sector will continue to feel the squeeze well into 1983.

There is in any case some doubt as to just how much encouragement it is prudent to take from a single week of better-than-expected money supply figures. In spite of the relief at last week's money numbers, markets remain to be convinced that the money supply will not start to gallop away during March.

Over and above this, money has been pouring into the alternative investment instruments of the moment — zero coupon bonds, in spite of the uncertainties over their tax treatment, and financial futures.

And for those looking for more conventional homes for their money, Triple A bonds returning around 15 per cent must look a more attractive bet so long as there is still so much talk of share prices moving into a new bear phase.

NatWest Provisions cut

A huge and unexpected improvement in bad debt provisions explains virtually all the rise in National Westminster's 1981 profits from £410m to £494m. It was a fifth, compared with the one-third increase chalked up by Lloyd's last week.

The fall in bad debt provisions has happened at the point when there was some increase on the international side and among the subsidiaries — with the result that group provisions have tumbled from £120m to £42m. Naturally, NatWest's contemporaneous dismissals the suggestion that to escape the windfall profits tax it massaged down-profits last year by bumping up provisions and is now writing it back.

The explanation given is simply that there has been a bunching of recoveries of provisions made in earlier years and the corporate sector has been healthier than expected. The puzzling thing is that NatWest's experience here is so different from that of Lloyd's whose bad debt provisions — admittedly influenced by trouble areas like Poland — rose by 25 per cent in 1981. The contrasting trends can only lend weight to the view that the banks' approach to bad debt provisions is far from uniform and can make comparisons misleading.

When enthusiasm and hope are just the job

Careers guidance in secondary schools used to be, in the words of Miss Marie Fair, newly appointed headmistress of Bradford's St Joseph's College, something of a Cinderella subject. But not any more. According to Miss Fair, deputy heads and even heads are getting involved in careers work.

But what is even the most high powered of teams to say to the 16, 17 and 18-year-olds facing the hunt for a job knowing that at least three million other people, most of them older, more experienced and better qualified, are doing likewise?

They are going to tell them to take a strongly positive approach. This emerged quite clearly from a straw poll of careers teachers conducted last week. Given that few youngsters of this age will be able to enrol to leave home, their opportunities will inevitably be restricted to whatever is available locally. What teachers are doing is encouraging them to decide what they want as early as possible and then to pursue it with determination.

They are being encouraged to come back into the sixth form if they do not succeed first time round. There they will learn new skills, in preparation for their next try.

That resolute optimism should be a prominent characteristic of career teachers is not perhaps surprising: what is more surprising is how often it seems to be justified.

Take the case of St Joseph's College. It is a girls' comprehensive, a former direct grant school with a traditionally strong sixth form, in an area in the West Riding which has been badly hit by the decline of the textile industry. About three-quarters of the fifth formers stay on, and the numbers are expected to rise.

More than half of the sixth formers are studying for A levels; the rest are topping up O level or CSE, or going in for some form of vocational or semi-vocational training, such as the City & Guilds Certificate in Community Care.

Miss Fair is in favour of

this: "Even if all they get out of it is increased self esteem it's worth it," she says.

Miss Fair knows of about 20 students still unemployed after completing their fifth year of secondary education last year. Of a similar number who left the sixth form, only two are on the dole.

At Tamar High School, Plymouth, the climate is equally positive and the conditioning starts early.

AT WORK: CAREERS COUNSELLING

By Adrienne Gleeson

Careers guidance is already "a vital part of the curriculum" in the third year, according to headmaster Mr Frederick Hill. He believes this is the stage at which important decisions must be made about examination subjects. In the fourth year, two periods a week are devoted to the subject, with a wide range of people coming in to talk about jobs as varied as military police and retail management.

One or two have dropped out recently, Mr Hill says, and he thinks this is ominous. By the time he sees the pupils on an individual basis, early in the middle term of their fifth year, he believes that 90 per cent know what they want to do.

At Matthew Murray High School in Leeds careers are also part of the curriculum from the age of 13 onwards. Like Mr Hill, Mrs Sheila Wagstaff, who is in charge of careers guidance, thinks that her job at this stage is to open the children's horizons, to persuade them to be more flexible, and to impart some personal and social skills.

Most students in the sixth form last year obtained employment or went on to higher education though Mrs Wagstaff acknowledges that those who joined the non-academic stream "have tended to drift away during the course of the year, when they have found employment". Of

Grindlays Holdings p.l.c.

The Board of Grindlays Holdings p.l.c. has recommended a final dividend for the year ended 31st December, 1981 of 11.5% net (1980 11.5% making a total for the year of 16.5% (1980 16.5%) equivalent to 4.125p per share (1980 4.125p per share).

51 per cent of the shares of Grindlays Bank p.l.c. are held by Grindlays Holdings which is quoted on The Stock Exchange, London. 49 per cent of the shares are owned by Citibank N.A., New York.

Grindlays

Building the business on a stronger capital base

In his statement to shareholders the Chairman, Mr. Nigel Robson, says:

"A major redeployment of capital resources is in hand through the planned sale of the two Hong Kong subsidiaries, Grindlays Dao Hong Bank and Grindlays Finance; this means added strength and the opportunity of making an improved allocation of the group's capital resources and a more even expansion of business in the United Kingdom and elsewhere in the world."

In the Pacific Basin the Grindlays Bank Group will continue to have a strong presence through its merchant banking subsidiary, Grindlays Asia Limited, in Hong Kong and its branches and offices in Australia, Japan, Korea, Singapore, Taiwan, Indonesia and Malaysia.

In February 1982 the International Merchant Banking Division based in London was established to develop and provide a common focus for the Group's specialist and cross border services.

Group profits for 1981 before tax were £24.5 million (1980 £33.7 million).
Profits attributable to shareholders were £10.3 million (1980 £14.3 million).
Profits retained for the year 1981 were £7.6 million (1980 £11.5).
Deposits rose by 17% to £4248 million and Advances by 33% to £2644 million.

Grindlays Bank Group

	1981 audited £m	1981* adjusted £m	1980 £m
Assets	4464	4410	3827
Liabilities	4270	4180	3648
Total capital resources of which share capital & reserves	194	230	179
	132	168	126

*To reflect the proposed sale of Grindlays Dao Hong Bank and Grindlays Finance.



Grindlays Bank p.l.c.

Head Office: 23 Fenchurch Street, London EC3P 3ED.
Tel. 01-626 0545. Telex: 885043/6 GRNDLY G.

Branches or offices in: Australia, Austria, Bahamas, Bahrain, Bangladesh, Brazil, Canada, Colombia, Cyprus, England, France, Germany, Ghana, Greece, Hong Kong, India, Indonesia, Iran, Japan, Jersey, Jordan, Kenya, Republic of Korea, Malaysia, Mexico, Morocco, Oman, Pakistan, Qatar, Scotland, Singapore, Spain, Sri Lanka, Switzerland, Taiwan, Uganda, United Arab Emirates, United States of America, Zaire, Zambia, Zimbabwe.

Commercial Union

Assurance Company plc

The Board announces unaudited profits for 1981 of £68.0m (1980 £76.5m) after providing for taxation.

	1981 Unaudited £m	1980 Published £m
PREMIUM INCOME	1,514.5	1,171.5
Investment income	201.0	151.4
Loan interest	(9.3)	(8.6)
	191.7	142.8
Life profits	17.3	15.2
Underwriting result (analysis below)	(131.9)	(57.3)
Associated companies' earnings	4.6	2.5
PROFIT BEFORE TAXATION	81.7	103.2
Taxation and minorities	(13.7)	(26.7)
PROFIT ATTRIBUTABLE TO SHAREHOLDERS	68.0	76.5
EARNINGS PER SHARE	16.54p	18.61p
SHAREHOLDERS' FUNDS	£534m	£769m
UNDERWRITING RESULT	£m	£m
United States	(25.6)	(31.8)
United Kingdom	(5.5)	(2.3)
Netherlands	(7.7)	(3.0)
Canada	(23.0)	(11.9)
Remainder	(16.1)	(8.3)
	(131.9)	(57.3)

During 1981, insurers have been faced with unusually difficult trading problems arising from generally depressed economic conditions, high interest rates and consequent severe competition throughout the world. Nevertheless, our policy of steady growth produced an underlying premium increase of 16% (1980 17%).

In the United States, premium income increased by 23%, substantially higher than the average for the industry. The statutory operating ratio was 108.1% (1980 104.7%), the claims ratio to earned premiums 73.5% (1980 70.7%) and the expense ratio to written premiums 34.6% (1980 34.0%). A satisfactory result in the last quarter, which produced an operating ratio of 104.0%, had the effect of improving both the claims ratio and the expense ratio for the year from the levels published for the 9 months to 30th September 1981. This improvement was evident in both personal lines and commercial lines and in the property and workers' compensation classes.

In the United Kingdom, premium growth was 12%. Although the motor account showed a satisfactory profit, adverse experience for commercial lines business, arising from intense competition and extreme weather conditions in the last quarter, produced an overall underwriting loss.

The total results for the Netherlands, including underwriting, investment income and life profits, showed a satisfactory improvement over last year. The underwriting loss continued to increase in the last quarter, but at a slower rate than for the first 9 months. The large motor portfolio traded profitably, but liability claims experience was worse than a year ago. Non-life premium growth was 2%.

In Canada, the underwriting experience was far worse than market expectations. Despite substantial premium rate increases during 1981, our underwriting loss deteriorated significantly. Premium growth was 12%.

The underwriting loss for Remainder reflected poor results in a number of territories in Western Europe although underwriting profits in the Far East increased. Marine and aviation business written on the London Market for the 1979 underwriting year was closed at the end of 1981 with a loss of £4.0m. The annual review of the provisions for earlier years has resulted in a release of £1.7m, producing an overall net loss of £2.3m.

Investment income, net of loan interest, increased by 34% on a published basis, with an underlying increase of 20% (1980 15%). This increase was due to continuing high interest rates, some changes in investment policy and the additional income arising from cash generated as a result of our premium growth.

Life profits improved satisfactorily and an underlying increase of 10% was achieved.

From the beginning of 1982, certain changes are to be made in the basis of presentation of life profits following the Insurance Companies Act 1981. This will release an estimated profit of £23.2m in 1982 as an exceptional item in addition to the normal life profits for that year. Full details of these changes will be given in the Report and Accounts for 1981.

Dividend

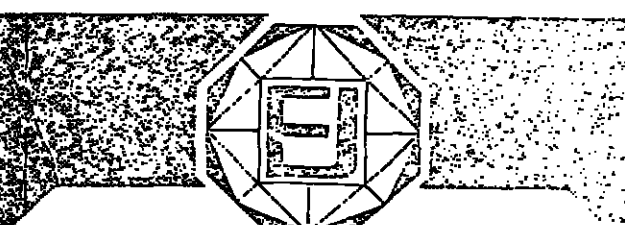
The Directors recommend for payment on 17th May 1982 a final dividend on the ordinary shares of the Company of 6.50p (1981 6.40p). This, together with the interim dividend of 4.85p (1980 4.40p) per share paid in November last, gives a total dividend of 11.35p (1980 10.80p) per share, which represents an increase of 9.3% on the dividend paid in respect of the year ended 31st December 1980. These dividends, including preference dividends for 1981, require £48.5m (1980 £44.4m). The balance of profit for 1981 amounting to £19.5m (1980 £32.1m) has been added to reserves. UK resident and certain foreign shareholders will be entitled to an imputation tax credit of 5.05p (1980 4.62p) per share at current rates of tax, making a gross dividend for the year of 16.85p (1980 15.42p) per share.

The Report and Accounts for 1981 will be posted to shareholders on 25th March 1982 and the Annual General Meeting will be held on 19th April 1982.

The results of the Company's operations have, as usual, been converted at the rates of exchange prevailing at the close of the periods reported. These were as follows:

	1981	1980
United States	\$ 1.91	\$ 2.39
Netherlands	Fls 4.72	Fls 5.10
Canada	\$ 2.25	\$ 2.85

Insure with
Commercial Union
Assurance



ERNEST JONES

Results for the year ended 26th September 1981	
1981 £200	1980 £200
TURNOVER (VAT inclusive)	10,991 9,971
TURNOVER (VAT exclusive)	9,584 8,637
PROFIT before TAXATION	1,105 1,455
PROFIT after TAXATION	735 1,234
EARNINGS per Share	7.3p 12.6p
DIVIDEND per Share (net)	3.9p 3.9p

Points from the Chairman's Statement:
Record turnover.
Four new branches opened.
Continuing programme of selective expansion.
Copies of the Report and Accounts may be obtained, on or after 2nd March, from The Secretary.

ERNEST JONES (Jewellers) p.l.c.
Shifra House, 17 Harewood Avenue, London NW1 5JD.

BUSINESS NEWS/COMPANIES AND MARKET REPORTS

WALL STREET

New York, Feb 23 — The market showed some strength in the final hour of trading but still closed mixed on the day.
The market had been weak for most of the day, but attempted to rally late in the session, perhaps aided by news that durable goods orders declined 1.5 per cent in January, which analysts said highlighted the weakness in the economy.
The Dow Jones industrial average was up 1.72 at 812.98 but other broader indices were lower and declines led advances.

Feb 23	Feb 22	Feb 23	Feb 22	Feb 23	Feb 22
Alcoa	37 1/2	37 1/2	Pat. Nat. Steel	35 1/2	35 1/2
Alcoa	37 1/2	37 1/2	Pat. Nat. Steel	35 1/2	35 1/2
Alcoa	37 1/2	37 1/2	Pat. Nat. Steel	35 1/2	35 1/2
Alcoa	37 1/2	37 1/2	Pat. Nat. Steel	35 1/2	35 1/2
Alcoa	37 1/2	37 1/2	Pat. Nat. Steel	35 1/2	35 1/2
Alcoa	37 1/2	37 1/2	Pat. Nat. Steel	35 1/2	35 1/2
Alcoa	37 1/2	37 1/2	Pat. Nat. Steel	35 1/2	35 1/2
Alcoa	37 1/2	37 1/2	Pat. Nat. Steel	35 1/2	35 1/2
Alcoa	37 1/2	37 1/2	Pat. Nat. Steel	35 1/2	35 1/2
Alcoa	37 1/2	37 1/2	Pat. Nat. Steel	35 1/2	35 1/2

COMMODITIES

COPPER: Higher grade closed steady at 100¢, lower grades 95¢-100¢. Three months' contract, 100¢. Cash standard, 95¢. **IRON:** 100¢. **STEEL:** 100¢. **COAL:** 100¢. **WHEAT:** 100¢. **CORN:** 100¢. **SOYBEANS:** 100¢. **CRUDE OIL:** 100¢. **NATURAL GAS:** 100¢. **PRECIOUS METALS:** 100¢. **AGRICULTURAL PRODUCTS:** 100¢. **FOREST PRODUCTS:** 100¢. **MINERAL PRODUCTS:** 100¢. **TEXTILE PRODUCTS:** 100¢. **LEATHER PRODUCTS:** 100¢. **PAINTS AND CHEMICALS:** 100¢. **PLASTICS:** 100¢. **GLASS:** 100¢. **CERAMICS:** 100¢. **OTHER PRODUCTS:** 100¢.

CAPITAL MARKETS

Credit Commercial de France, lead manager for an issue of bonds by the United Mexican States, said that in view of the very strong demand, the amount of the issue was increased from \$100m (£54.4m) to \$130m, "and the timetable has been accelerated". The bonds are retractable at the holder's option in 1985, 1988, 1991 and 1994.

A working group of banks and money brokers is looking into the possibility of establishing a financial futures market in Singapore.

No timetable has been set, but banking sources said the group was expected to complete its work and submit a report to MAS by September.

TransCanada Pipelines is making a placing of £25m in unsecured notes which are automatically exchangeable on May 21, 1982, for First Mortgage Pipeline Bonds, 2007. The price will be set today so as to ensure a yield of 2% per cent over the gross redemption yield of 3% per cent Treasury Stock 2004/08. It is the first secured corporate issue for an overseas borrower since the removal of exchange controls.

TransCanada Pipelines owns and has interests in natural gas pipelines in Canada and the United States.

The 12-member group, led by Continental Illinois Bank and Trust Company of Chicago, was set up a few weeks ago with the backing of the Monetary Authority of Singapore.

No timetable has been set, but banking sources said the group was expected to complete its work and submit a report to MAS by September.

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VANTONA

Waiting for the Budget

Textile companies will be unsure of 1982 demand until after the Chancellor has announced his Budget on March 9. This was made clear yesterday by Mr. Davoud Alliance, Vantona Group's chief executive, after he announced an increase in pre-tax profits from £4.29m to £5.44m for last year.

"There is no improvement in trading conditions on last year", Mr. Alliance said. The group has managed to increase profits for the year to last November 29 even though sales are down by 3 per cent, at £104.19m.

Vantona has pressed on with a programme of increasing productivity, improving communications and every other method to become more profitable in a very difficult market. In the first half, probably as a result of an unexpectedly deflationary Budget, sales were 6.7 per cent down. During the second half, returning optimism was checked by an increase of 4 per cent in base lending rates in September. Sales in the second half, therefore, were only 1.6 per cent up on last year, the company says.

Vantona's earnings per share are up from 16.2p to 23.9p.

Deals in the Unlisted Securities Market group Oceonics begin next Tuesday after a placing yesterday by stockbrokers Simon and Coates of around 17 per cent of its shares with institutions. The placing, at 130p a share, gives the specialists in navigation and underwater exploration systems a stock market price tag of £13m. In the process Mr. Bob Aird, aged 34, who started the business seven years ago and is now its chairman, will become a paper millionaire whose half share at the placing price will be worth £7.8m.

Oceonics will raise almost £12m of new money to increase its manufacturing capacity in new high technology products, widen its equipment range and strengthen its market position particularly in South East Asia and America.

Examples of its products include underwater remote controlled vehicle systems, deep sea lighting and camera equipment and high technology ocean-bed buoys which give off electronic sounds over several miles through water.

Up to now Oceonics has survived on a capital base of £3, financing itself through cash flow and bank borrowings. In 1977, on a turnover of £135,000 it made profits of £26,000. For the six months to the end of last September it made £68,000 pre-tax on a turnover of £3.3m and it is forecasting profits of £1m for the year ending next month.

But investors will have to wait a year for any dividends. Oceonics prospectus says it hopes to pay a gross 2.142p for the year to March 1983.

MARCHWIEL

Recovery road

Marchwiel, the building and civil engineering group, is recovering from the disastrous trading period in 1980 when it lost heavily on a road project in the Sudan. Pre-tax profit for the year to the end of last October is up from £654,000 to £10.38m.

A final dividend of 4.2p, making 6.6p, as against 6p, has been announced. Mr. Alfred McAlpine, the chairman, says that current orders in Britain are higher than a year ago.

"In particular, the group has recently been awarded valuable road contracts, which together amount to more than £48m," he says. He will be disappointed if this year's contracting turnover and profit do not equal 1981 levels. Other subsidiaries in Britain should be a little better.

The South African mining company is making "excellent progress" but, elsewhere in Africa, competition for civil engineering work remains severe.

Turnover was £237.56m., down from £260.74m. Earnings per share are 28.4p, against 0.8p. Net assets per share are 189p against 164p. The news was in line with market expectations, and the share price came down 2p to 138p, against a high for 1981/2 of 154p.

On the Sudan contract Mr. McAlpine says: "I am confident that the provisions we have made will prove adequate and we are vigorously pursuing a fair settlement of the contract which, if achieved, would lead to a measure of recovery."

The company's liquid resources are now £26m. During the year it announced the sale of an investment in R. Wild for £1.1m.

Dividends in this table are shown net of tax on pence per share. Elsewhere in Business News dividends are shown on a gross basis. To estimate gross multiply the net dividend by 1.425. Profits are shown pre-tax and earnings are net.

Company
Sales
Profits
Earnings
Div
Pay
Year's

Agilis (F)
Comm. Union (F)
1st Scot. Am. Tel. (F)
Grindlays (F)
Harcourt (F)
E. Jones (F)
Marchwiel (F)
Nelson (F)
"Inv in Success" (F)
Trafalgar (F)
Vantona (F)

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SECURITY CENTRES

£1.9m cash call

Security Centres Holdings, the burglar and fire alarm business run by Mr. Stewart Jamieson, is to raise around £1.9m with a two-for-one rights issue at 110p, per share. The price yesterday stood at 138p on news of the issue, and it gives existing shareholders a 28p discount.

The company has widened its United Kingdom and overseas operations by a series of acquisitions. Late last year it agreed to pay £250,000 (£136,000) for a third share in Video Applications, of Florida. The month, it bought Safeguard Alarms of Birmingham for £43,000 cash.

This is the second rights issue in 14 months. In December 1980 the company raised £1.1m to finance growth out of its Belfast base.

Dividends in this table are shown net of tax on pence per share. Elsewhere in Business News dividends are shown on a gross basis. To estimate gross multiply the net dividend by 1.425. Profits are shown pre-tax and earnings are net.

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SPORT

ROUND-UP
SHOW/JUMPING

Fletcher follows suit

Graham Fletcher has become the second top British amateur show jumper in a week to turn his back on the Olympics. The Yorkshireman, aged 31, has followed Nick Skelton to the professional ranks, signing a contract with a subsidiary of the British Equestrian Federation. Fletcher, who has won a silver medal at the World Cup in 1980, when he was 20, has decided to concentrate on his career as a professional rider.

GYMNASTICS

What working down mines does for you

Wales has always produced first class male gymnasts, and enthusiasts in the Principality say that their superior muscular development is inherited from the male tradition of working down the mines. And it is a Welshman, Arthur Whitford, who has pride of place for British gymnasts in the Guinness Book of Records who won the British championship 10 times between 1928 and 1936 and again in 1939. Happily he is still a keen spectator at the main events. A young man who is making his mark in the resurgence of the sport in Wales is 20-year-old Andrew Morris.

RUGBY LEAGUE

Wolves' ticket to France

Wolves' ticket to France is in the hands of the captain and loose forward of the France under-24 team, Roland Puch. Phil Larder, the former Oldham centre, who has also played for Whitehaven, has been appointed director of coaching of the Rugby League national coaching scheme. Larder, who will take up the post in May, is head of physical education at Rochdale School. He turned professional from Sale, the Rugby Union club, in 1968.

speedy Jordan

At the 23rd, Feb 23, the 100m sprint was won by Barbara Jordan, who finished in 12.1 seconds. She was followed by Miss Jaeger, who finished in 12.2 seconds. The 200m sprint was won by Miss Jaeger, who finished in 25.1 seconds. She was followed by Miss Jaeger, who finished in 25.2 seconds. The 400m sprint was won by Miss Jaeger, who finished in 50.1 seconds. She was followed by Miss Jaeger, who finished in 50.2 seconds.

Tears of joy for golden Braa

Holmenkollen, February 23—Oddvar Braa won the 15 kilometre race here today in the fastest time in a world championship 38 minutes 52.5 seconds. Norwegian and the finish line were weeping as Braa came in, and others danced a victory jig in the snow. It was Norway's fourth gold in six events at the championships.

TODAY'S FIXTURES

7.00 AM: National Match: Spain v Italy. 7.15 AM: Division 1: Scotland v England. 7.30 AM: Division 2: Wales v Ireland. 7.45 AM: Division 3: France v Australia. 8.00 AM: Division 4: New Zealand v South Africa. 8.15 AM: Division 5: Argentina v Uruguay. 8.30 AM: Division 6: Brazil v Chile. 8.45 AM: Division 7: Mexico v Colombia. 9.00 AM: Division 8: Peru v Venezuela. 9.15 AM: Division 9: Ecuador v Paraguay. 9.30 AM: Division 10: Cuba v Haiti. 9.45 AM: Division 11: Dominican Republic v Puerto Rico. 10.00 AM: Division 12: Central American and Caribbean. 10.15 AM: Division 13: South American. 10.30 AM: Division 14: European. 10.45 AM: Division 15: African. 11.00 AM: Division 16: Asian. 11.15 AM: Division 17: Oceania. 11.30 AM: Division 18: World Cup. 11.45 AM: Division 19: World Cup. 12.00 PM: Division 20: World Cup.

ROWING

Who can head Oriel?

Oriel, the last male bachelors at the university, make up the last of the rowing team in the Oxford Torrids which begin today. Oriel's main aim is to make a name for itself in the rowing world. The team is made up of several young men who are looking for a challenge. They are determined to win the title and to make a name for themselves. They are looking for a challenge and to make a name for themselves.

End for Lady Margaret?

Lady Margaret's seven-year-old team, which has been the most successful in the rowing world, is looking for a challenge. They are determined to win the title and to make a name for themselves. They are looking for a challenge and to make a name for themselves.

own duals

The first British open pairs green bowls championship is held at Ryl from August 26 and will carry more than £10 prize money. The tournament is open to all players and is a great opportunity for them to show their skills. It is a great opportunity for them to show their skills.

tzky poised

Wayne Grezky, the key player, equalled the league scoring record of 10 goals in the first round. He is a great player and is looking for a challenge. He is determined to win the title and to make a name for himself. He is looking for a challenge and to make a name for himself.

Hopkins and Rose in Welsh Youth squad

Jeff Hopkins, the Fulham full back, and David Rose, Millwall's midfielder, are in the Welsh squad for the European Youth championship match against Holland at Cardiff on March 5. They are great players and are looking for a challenge. They are determined to win the title and to make a name for themselves. They are looking for a challenge and to make a name for themselves.

Paying the penalty for breaking the rules

By Nicholas Keith

The penalty goal has come in for some harsh criticism this season. It seems to be playing an increasingly important role in deciding the fate of international matches. The value of a penalty (three points) is excessive, it is said, compared with only four points for a try. Besides, many penalties are for technical offences. However, rules are made to be observed, as David Hands argued persuasively after Guyon Evans had kicked six penalties in Wales' victory over France last month. Players' corners are usually accepted 'philosophically'—the referee's decision against them, he wrote.

France spurn chance of experimenting

By David Hands

With an almost perceptible Gallic shrug the French selectors have made only two changes in personnel against Scotland at Murrayfield on Sunday. Perhaps they feel there are few options open to them any longer, perhaps they feel that, on their record this season, they themselves may not be around much longer so why worry. Defeat in Australia (twice), against New Zealand (twice), Wales and England has been the lot since the Grand Slam was won last season, relieved only by the traditional home win over Romania. With no chance of contesting this season's five nations championship, the Scottish game might have been an occasion to experiment but the only changes made to the XV beaten 27-15 by England last Saturday involve the return of Cramachi and Revallier. Cramachi, the Lourdes loose head prop capped four times against the International Board, and Revallier, the 33-year-old lock from Grenoble, were the leading offenders in Cardiff.

RUGBY



Here: punished French offences by kicking 19 points.

Scotland's selectors play waiting game

By Iain Mackenzie

For the second time this season Scotland have delayed the announcement of the team for an international match. The selectors decided to wait an extra three or four days in December before naming the side to play Australia at Murrayfield, and yesterday took the same course of action. The XV to meet France at Murrayfield on March 2 was to have been announced yesterday but before lunch the Scottish Rugby Union secretary John Law said that it would not be known until Sunday. He declined to be quoted on details but did say: 'The selectors felt it wise to wait until after Saturday's league championship matches between Gals and Hawick and Watsonians and Heriot's before naming the side. There will be a practice session at Murrayfield on Sunday morning and the team will be known around lunchtime. There is some sense in waiting until the weekend, because half of the side which lost 21-12 to Ireland play for those four clubs and five others turn out for three Borders clubs— Jedforest, Selkirk and Kelso—who are all involved

Clash of the English and Irish universities

By David Hands

The leg-injury sustained by Peter Thornton, the Exeter University flanker, when playing for the English Universities against their Welsh counterparts earlier this month, not only kept him out of today's encounter with the Irish Universities but may prevent him from representing Exeter in the U.C.I. final against Durham on March 10. Nevertheless, Exeter have three representatives in the English Universities' XV at Richmond Park today, among them the centre, Hoag, who missed the 50th anniversary of the Welsh at Birmingham. Carr, Capt of Bristol, has been ill recently but the selectors hope he will be available to play for Exeter to do well against a powerful Irish Universities' selection which originally included four full Irish caps: MacLennan, Carr, Hoag, and Lush.

Rugland, however, received a hand injury a fortnight ago, which caused him to miss his country's triple crown win over Scotland last Saturday. Since fixtures remained at student level between Ireland and England two years ago, the honours have stayed with the Irish who won 12-8 in 1980 and 12-0 in 1981. Durham have four representatives in the home side, including Henderson, the Keelson, Park, and another Exeter flanker, Carr. The English back division should not lack for pace since Carr, who has played for the wing for Exeter, is moved to full back instead of the unavailable Martin of Bath. Scotland increased many observers, while his University initially played him at fullback. Carr, who has played for the wing for Exeter, is moved to full back instead of the unavailable Martin of Bath. Scotland increased many observers, while his University initially played him at fullback.

HOCKEY



Grounded: Niblett, the Oxford goalkeeper, has to take rearguard action against the light blues attack.

Cambridge make their corners count

By Sydney Friskin
Oxford U 1
Cambridge U 4
Cambridge University inscribed their names for the third time on the Sunlight Bowl by beating Oxford in the annual hockey match at Lord's yesterday. Cambridge won 4-1 in the first year of sponsorship in 1980 and last year the teams shared honours in a 2-2 draw. At the interval, Cambridge led 2-1, their prosperity having been proved by a short corner which drew level. Mansfield stopped the attack at Lord's yesterday. Cambridge won 4-1 in the first year of sponsorship in 1980 and last year the teams shared honours in a 2-2 draw. At the interval, Cambridge led 2-1, their prosperity having been proved by a short corner which drew level. Mansfield stopped the attack at Lord's yesterday.

The judgment of Stapleford

By John Hennessy

Perhaps Sally Stapleford was not quite the right person to counsel on the perils of judging an ice skating championship. A woman who turns out to be so fiercely independent, self-employed in business and self-sufficient in the home, hardly fits the bill of a timid creature cowering in the face of a hostile reception for some presumed injustice. The shy, retiring Olympic skater one remembers of the Sixties, who would not have said 'no' to a well-endorsed by the Swiss, Maja Reinhardt. Unfortunately, 1981 rules forbid her from saying how she reached her minority conclusions. It is among the hierarchy of skaters, she recalls, that the disapproval of the British press and camp followers for giving Robin Cousins a whopping 2.9 for his second figure during the European championships at Zagreb in 1979, when her colleagues were marking him as high as 3.7. With no other judge to offer corroboration, she received it from a still more acceptable source. Cousins himself declared afterwards that Miss Stapleford had got it right. It was 'a rotten figure'. The Olympic short programme at Lake Placid has also put her in an embarrassing position. Clearly, the American champion, had clearly failed with the combination jump, landing the statutory double loop forwards. That required an immediate penalty of 0.5 of a mark, regardless of what he made of the six other elements. Miss Stapleford's 5.0 for the local hero evoked a quiet chorus of dissent, especially when viewed against other marks ranging as high as a ludicrous 5.8. She might at that moment have been regarded as a bawling judge. During a free programme she uses a form of shorthand to identify the various elements of every skater's performance. By the time the four-and-a-half minutes are over, four for women, the line of her eyebrows, receding in excess from some abstract mathematical PhD thesis, can stretch to a foot in length, followed by a pithy appraisal ranging from 'boring' to 'dynamic'.

Players hogging more of television picture

Paris, Feb 23—World tennis is in a critical state because of disputes among its governing bodies. Philippe Chatrier, president of the International Tennis Federation, said this today after returning from a meeting of the men's International Professional Council in the Swiss town of Gstaad. The Association of Tennis Professionals, who will withdraw from the council at the end of the year, have demanded 15 per cent of income from television rights, he said. He believed this was the start of an attempt by the players' organization to take control of the lucrative profession.

Coaching for the novices

By Rex Bellamy

On May 7, when the Lawn Tennis Association launch their national campaign to promote short tennis as a game for younger school children, an older scheme to attract youngsters to the sport will already be in progress. This is the annual grassroots coaching programme sponsored by the Lawn Tennis Foundation, and designed primarily for novices. The basic scheme is that anyone between the ages of eight and 16 can apply to schools, libraries or youth centres to be part of the scheme. The scheme is designed to attract children to tennis, to provide them with the basic skills and to encourage them to play the game. The scheme is designed to attract children to tennis, to provide them with the basic skills and to encourage them to play the game.

BADMINTON

Young England players can point the way

By Richard Eaton
England's best of young players have another chance today and for the next few days to show whether their promise will mean England into a world power. England should win the challenge against Japan and Sweden, at Bournemouth today and tomorrow, as well as the five international matches which follow. A more important question is how well they can win. Steve Baddeley and Nick Yates, both 21, and players from the 22 and 23, have tried their best to improve their game for inclusion in England's Thomas Cup team in two months' time. Whether the improvement is enough for England to cope with the Malaysians, who have spent a fortune on their Thomas Cup preparations is another matter. At least the amateurs seem good. England have won the Great Challenge for the last two years. Earlier in the month they returned from their most successful tour of the Far East, Japan, where they won 6-3, and Baddeley, the national champion, became the first Englishman to reach the final of the Thomas Cup. As if intention for Thomas Cup places were not enough, there is more than £5,000 at stake in the next couple of days.

GOLF

Royal Troon will draw Americans

By Lewine Mair
With Sir Robert's having won the Open, the Royal Troon's last year, the R & A are convinced that there will be no shortage of top and coming Americans anxious to compete in this year's Open at Royal Troon. At a press conference in the clubhouse at Royal Troon yesterday, the R & A agreed that there had been a good response to the past few years' Open which was only £5,000 and who had volunteered that this sum was only £5,000 and who had volunteered that this sum was only £5,000 and who had volunteered that this sum was only £5,000.

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By Richard Eaton
England's best of young players have another chance today and for the next few days to show whether their promise will mean England into a world power. England should win the challenge against Japan and Sweden, at Bournemouth today and tomorrow, as well as the five international matches which follow. A more important question is how well they can win. Steve Baddeley and Nick Yates, both 21, and players from the 22 and 23, have tried their best to improve their game for inclusion in England's Thomas Cup team in two months' time. Whether the improvement is enough for England to cope with the Malaysians, who have spent a fortune on their Thomas Cup preparations is another matter. At least the amateurs seem good. England have won the Great Challenge for the last two years. Earlier in the month they returned from their most successful tour of the Far East, Japan, where they won 6-3, and Baddeley, the national champion, became the first Englishman to reach the final of the Thomas Cup. As if intention for Thomas Cup places were not enough, there is more than £5,000 at stake in the next couple of days.

Jimmy Nicholl may now join Stoke

Jimmy Nicholl, whose transfer to Sunderland fell through last week, could now be on his way to Stoke to join his Northern Ireland team mate, Jimmy McIlroy. Mr Alan Durbin the Stoke manager has had talks with his half brother, the Manchester United manager, about Nicholl's proposed transfer to Sunderland. Nicholl, who has been with Stoke since 1979, has been a key player for the club. He has scored many goals and has been a key player for the club. He has scored many goals and has been a key player for the club.

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La creme de la creme

TV-am

TV-AM, the Breakfast Television contractor, are recruiting secretaries for various departments and are looking for people with

fast, accurate typing
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Book Club Associates, jointly owned by W.H. Smith & Doubleday, have a vacancy in their Editorial Department for a competent Secretary to work for two Editors.

If you like a varied work schedule, are well organised, have a confident telephone manner and enjoy responsibility, then this could be the change you have been looking for.

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Benefits include 50p per day LVS, 4 weeks holiday, season ticket loans and excellent staff discounts on books, merchandise, records etc.

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TOP SECRETARIAL ASSISTANT

An International Oil Trading, Shipping and Property Group requires a well-educated and experienced Secretary. The Group is shortly moving to beautiful and luxurious offices in Mayfair where your initiative, willingness to become involved and ability to work independently will be rewarded by an excellent salary with fringe benefits.

Telephone in first instance to 01-736 5563 or write with c.v. to Box 1286 G, The Times.

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A well known Secretarial Agency is recruiting for a consultant.

Consultants at this company handle every aspect of the recruitment function from dealing with clients to advertising, interviewing and presentation of candidates. The job is varied, responsible, demanding and satisfying.

You will need to be well presented, able to work on your own initiative, good at communication and well organised. Age 25-35.

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Young high-achieving Legal Secretary required for well-qualified position assisting ambitious Junior Partner.

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Personnel Appointments need an additional senior consultant used to working in specialist recruitment.

The ideal candidate will have a minimum of 10 years' experience in recruitment and a proven track record in the field of recruitment. The successful candidate will be responsible for the day to day running of the office, including the diary and meetings arrangements. You will be involved in the design of the company's brochures.

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P.A. TO EDITOR

Secretary/P.A. with shorthand required for Editor of a national newspaper. Team of 3. Usual duties plus running of a small office. Start April/May. Salary: £5,000 p.a. neg. plus bonus and generous benefits. Please send CV to:

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A much respected specialist Agency for London's Temp and Perm Legal Secretaries. Our minimum standard is 2 years' legal experience.

Our large team of competent Temporary Legal Secretaries cover all aspects of Law and include Audio, Shorthand and Verbatim Typists. We pay £3.80 p.h. We particularly welcome enquiries from Permanent applicants seeking a change of job, especially at Partner level. A comprehensive C.V. would be appreciated! In confidence to:

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OIL-£8,000 WEST END

A first-class, lucrative position for a Secretary/P.A. to a senior manager in the oil industry. The successful candidate will be responsible for the day to day running of the office, including the diary and meetings arrangements. You will be involved in the design of the company's brochures.

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A young, enthusiastic Secretary/P.A. is needed to assist a senior manager in the oil industry. The successful candidate will be responsible for the day to day running of the office, including the diary and meetings arrangements. You will be involved in the design of the company's brochures.

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£4,500

The dynamic head of this well known communications company is looking for a Secretary/P.A. to assist him in his day to day running of the office. The successful candidate will be responsible for the day to day running of the office, including the diary and meetings arrangements. You will be involved in the design of the company's brochures.

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INTERNATIONAL CO.

BILING FRENCH/GERMAN SEC

For Marketing Director.

Due to promotion, our client needs an excellent P.A. mid 20's with fluent languages. Exc. benefits include house loan, pen. scheme, free lunch, I.F.S.T.L., car space. Neg. from £5,500 rev June.

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Duke Street House, 415-417 Oxford St., London W1 Telephone 01-629 9563

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Vice-President of International Oil Trading and Shipping Group. The successful candidate will be responsible for the day to day running of the office, including the diary and meetings arrangements. You will be involved in the design of the company's brochures.

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European MD requires P.A. Secretary with an interest in international business and administration. The successful candidate will be responsible for the day to day running of the office, including the diary and meetings arrangements. You will be involved in the design of the company's brochures.

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Chief fiction editor of leading publishing house seeks top secretarial assistance. The successful candidate will be responsible for the day to day running of the office, including the diary and meetings arrangements. You will be involved in the design of the company's brochures.

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22 South Molton St. W1 (Recruitment Cons.)

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Don't let a small diversion divert you from a big opportunity. The successful candidate will be responsible for the day to day running of the office, including the diary and meetings arrangements. You will be involved in the design of the company's brochures.

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You will have a word processor to lessen the typing chore and let you spend more time running me!

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Post it as soon as possible to: Diane Kelly, 46-52 Brewer St., London W1R 3HN

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Are you seeking more than a 9-5 job? Would you enjoy a top level executive position in a dynamic, fast growing company? If so, you are the person we are looking for. You will be responsible for the day to day running of the office, including the diary and meetings arrangements. You will be involved in the design of the company's brochures.

Age 25+.

EXECUTIVE EXCELLENCE

£5,000 + C.B.

A young M.D. of a successful fast expanding company is urgently seeking a confident and efficient P.A. to assist him in his day to day running of the office. The successful candidate will be responsible for the day to day running of the office, including the diary and meetings arrangements. You will be involved in the design of the company's brochures.

Age 25+.

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£6,500

An expanding international company offers a nationwide opportunity for a Secretary to become involved in a friendly fast moving environment. Your ability to organize a busy schedule and your professional approach in dealing with various departments will be essential. If you have good secretarial skills and a keen eye for detail, please send your CV to: David Patten on 029 7562

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My client, the dynamic Sales Director of a large office furniture company, requires a lively personality to assist him in his day to day running of the office. The successful candidate will be responsible for the day to day running of the office, including the diary and meetings arrangements. You will be involved in the design of the company's brochures.

For further information please telephone Mr. Sarah Smith, on 488 0155. (BDC International Limited)

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Mature and experienced Secretary with excellent shorthand and typing ability required for City investment advisory company. Applicants should be interested in working on their own initiative and prepared to take an overall interest in the company's business. Usual benefits including non-contributory pension scheme. It is likely that only those applicants presently earning over £8,000 per annum will have the experience we are looking for.

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£8,000 PA/SECRETARY

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Director of international finance and export company in Mayfair requires PA and Secretary, well educated and with excellent secretarial skills. Apply in writing with c.v. to:

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Albamarle

Appointments

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The Manager responsible for coordinating international projects for a large company based in central London, needs an experienced Secretary aged 23-35. The ideal candidate will be responsible for the day to day running of the office, including the diary and meetings arrangements. You will be involved in the design of the company's brochures.

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Shorthand in French and perfect spoken English - candidate for an experienced Secretary aged 23-35. The ideal candidate will be responsible for the day to day running of the office, including the diary and meetings arrangements. You will be involved in the design of the company's brochures.

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Join a small, successful and expanding consultancy, specialising in international recruitment and training in various W.I. offices. This busy job involves very varied secretarial work - organising client lunches & new business presentation - assisting with assignment of general admin. Own office with full responsibility. If you are 25-40 with intelligence, good experience, secretarial training & fast accurate typing, phone Roth Shelly - 388 2851.

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Efficient Secretary required for Director of busy international P.R. Consultancy. Speed, top skills and initiative essential. Salary £5,500.

Phone: 531 1721 for appointment

AMERICAN INTERIOR DECORATING COMPANY

Requires urgently P.A. to U.K. Sales Director. New, highly exciting position for someone with top skills, imagination and drive. S.W.1. Tel. 65 500 x commission.

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Required for Managing Director of major film company. Age 25-30. Speeds 110/55. Salary c. £7,500. If you have sound organising ability and can cope under pressure, write with c.v. to:

JOYCE GUINNESS 539 8807/0010

The Recruitment Consultants

ROYAL INSTITUTE OF INTERNATIONAL AFFAIRS

Experienced P.A. for Director of International Affairs. The successful candidate will be responsible for the day to day running of the office, including the diary and meetings arrangements. You will be involved in the design of the company's brochures.

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£5,250 neg.

We seek a Receptionist/Typist for a busy international company. The successful candidate will be responsible for the day to day running of the office, including the diary and meetings arrangements. You will be involved in the design of the company's brochures.

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W.C.2. to £7,000

We seek a Personal Secretary for a busy international company. The successful candidate will be responsible for the day to day running of the office, including the diary and meetings arrangements. You will be involved in the design of the company's brochures.

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Company with a reputation for high quality tailoring and clothing. The successful candidate will be responsible for the day to day running of the office, including the diary and meetings arrangements. You will be involved in the design of the company's brochures.

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CJES

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Tel: 01-588 3588 or 01-588 3576

Telex 887374

JUNIOR SECRETARY

£5,500-£6,500

E.C.2 INTERNATIONAL MERCHANT BANK

Our clients have a vacancy for a Junior Secretary, or recent College leaver, aged 18-22, as number two to the Japanese Managing Director's P.A., standing in for her when required. The successful candidate will also work for the Company Secretary, responsible for his letters, memos and filing etc., using shorthand or audio. This appointment is varied and involves working as part of a small busy team in a busy office. Accurate typing, the ability to write good English and pay attention to detail are important, together with an adaptable and cheerful personality. Excellent salary negotiable £5,500-£6,500 + 75p LVS, non-contributory pension, free B.U.P.A., interest free season ticket loans and 4 weeks holiday. Please telephone Vicky Duckham on 01-588 3588, or write, under reference JS 563/TI to the Managing Director.

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A large international insurance Brokers Co seek a P.A. Secretary in the Director in charge of their Overseas division. They frequently entertain clients in-house therefore you should be a good organiser, socially at ease and happy to liaise with V.I.P.s. 100-50 skills essential.

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A progressive firm of 1 Architects seeks a P.A. Secretary to assist him in his day to day running of the office. The successful candidate will be responsible for the day to day running of the office, including the diary and meetings arrangements. You will be involved in the design of the company's brochures.

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£8,500

We seek a mature P.A. Secretary to the M.D. of a small, successful firm of 1 Architects. The successful candidate will be responsible for the day to day running of the office, including the diary and meetings arrangements. You will be involved in the design of the company's brochures.

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CAMBERWELL £6,500-£8,000

A Mail Order company moving into the London area seeks an Executive Secretary aged 25-35, to assist two Directors. The ideal candidate will be responsible for the day to day running of the office, including the diary and meetings arrangements. You will be involved in the design of the company's brochures.

Age 25+.

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Must have commensurate typing skills. Hours 9 to 5.30, non smoker preferred. Competitive salary. Tel. Mrs Foreman, 628 0101.

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When someone needs, electronic planning, organising and coordinating in a busy office, this is the job for you. The successful candidate will be responsible for the day to day running of the office, including the diary and meetings arrangements. You will be involved in the design of the company's brochures.

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An International Consortium Bank situated in the City requires a Bilingual Secretary with fluent French and English. The successful candidate will be responsible for the day to day running of the office, including the diary and meetings arrangements. You will be involved in the design of the company's brochures.

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To work for the Director of Overseas Operations of a Large International Company

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